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NEWS SUMMARY

GENERAL

Polish miners win deal

A Polish Government commission signed an agreement yesterday with striking coalminers accepting all their demands.

If implemented, the agreement could seriously curtail plans to increase coal output. This, in turn, could restrict hard currency earnings.

The Government has promised to increase meat supplies and cut exports. Back Page

Zimbabwe break

Zimbabwe severed diplomatic relations with South Africa, but said it would maintain a trade mission in Johannesburg.

Hua steps down

Chinese Communist Party chairman Hua Gofeng announced his resignation as Premier. His successor will be Vice-Premier Zhao Ziyang. Page 3

Fungus food

The Government has given Ranks Hovis McDougall approval to market a food based on an edible fungus of microscopic size. Back Page

Boulogne delay

Boulogne trawlermen, who began the five-week French fishermen's strike, delayed until tomorrow a decision on a compromise settlement. Page 2

Mideast talks

President Carter said the stalled peace talks between Egypt and Israel would probably resume in the next few weeks, followed by another three-way summit later this year. Page 3

West Bank plans

Israel plans four new Jewish settlements on the occupied West Bank, making a total of 85. Page 3

Jail protest ends

A 27-hour sit-down protest by 54 prisoners at Liverpool's Walton Jail ended peacefully. The demonstration followed a rooftop protest on Monday.

Troops in Ankara

Turkey moved thousands of troops and armed police into Ankara after the death toll in political violence rose to 1,700 this year. Page 2

Canada 'reform'

Canada's Parliament may be recalled earlier than planned to discuss constitutional reform, said Premier Pierre Trudeau. Page 4

Iran executions

Iran executed four people charged with taking part in July's alleged coup plot. Ninety-six alleged conspirators have now been shot.

Radical step

Prison director at Halmstad, Sweden, admitted inmates make rope ladders in the prison shops. "They have promised not to use them to escape," he said.

Briefly . . .

British National Oil Corporation donated £40,000 to Glasgow University's £85,000 Whistler appeal fund.

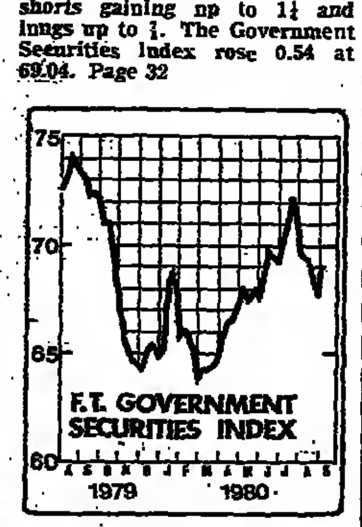
Syrian security forces killed 16 people in attacks on two strongholds of the illegal Moslem Brotherhood organisation. Page 3

Petrol rationing was ordered in Sydney, Australia, because of strikes at two oil refineries.

BUSINESS

Equities gain 7.1 gilts up 0.54

● **GILTS** advanced for the fourth successive day on growing market optimism, with shorts gaining up to 1¼ and longs up to ½. The Government Securities Index rose 0.54 at 69.04. Page 32



● **EQUITIES** followed the gilts advance and the FT 30-share index rose 7.1 to 489.8. Page 32

● **STERLING** eased 32 points to $2.4158, and its trade-weighted index was again unchanged at 76.5. **DOLLAR** lost ground in late trading, but this was not reflected in its index of 83.5 (83.4). Page 28

● **GOLD** fell $3 an ounce in London to $637.50. Page 28

● **WALL STREET** was up 9.48 at 950.26 near the close. Page 30

France sticks to credit curbs

● **FRENCH PREMIER** Raymond Barre warned there would be no easing of his strict credit or budgetary policies in spite of the forthcoming presidential election campaign, as he announced a package of measures to stimulate investment, relieve the depressed building industry and boost consumer spending.

● **CADBURY-SCHWEPPES** is to invest £125m over the next four-five years on plant modernisation, leading to 3,000 redundancies, mainly at Bournville, Birmingham. Back Page

● **ENERGY** consumption in Britain fell by 6.7 per cent between May and June, compared with a year ago, with oil use dropping by 11.3 per cent, provisional figures show. Page 7

● **ALGERIA** appears to have failed to double the price of the liquefied natural gas it sells to France and the U.S., but is resuming full supplies to France. Page 4

● **POST OFFICE** Engineering Union leader has threatened industrial action if the Bill for introducing private capital into telecommunications is passed by Parliament. Page 8

● **THE PAPER** and Board Industry Federation has asked the Prime Minister to relax some severe aspects of the monetarist policy because of its impact on 10 papermills with tha loss of 5,900 jobs.

COMPANIES

● **SUN ALLIANCE GROUP** raised first-half taxable profits by nearly 70 per cent to £26.4m (£15.7m); while Guardian Royal Exchange, another insurance group, reports profits up 15 per cent at £36m (£36.4m) and Phoenix Assurance raised earnings by 21 per cent to £16.9m (£14m). Page 22; Lex, Back Page

● **BLACK AND EDGINGTON**, the camping and workwear group, reports a first-half pre-tax loss of £265,000, compared with £1.2m profits a year ago, and plans to sell its caravan business. Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 15pc 1985	£106½	+ 1¼
Treas. 12pc 1987 (£50 pd.)	£47½	+ 1
Assd. Dairies	228	+ 10
Avana	181	+ 11
British Sugar	265	+ 13
Cheung Kong	237	+ 10
Courtaulds	62	+ 3
Dewhirst (I. J.)	54	+ 3
Ferranti	423	+ 13
GEC	498	+ 10
Goldman (H.)	30	+ 4½
Hawker Siddeley	220	+ 6
Horizon Travel	292	+ 12
Land Secs.	370	+ 8
M'chester Sp. Canal	203	+ 23
Rush and Tompkins	218	+ 6
Sainsbury (J.)	488	+ 18
Somportex	188	+ 18
Syltona	198	+ 10
Turner Newall	109	+ 5
Union Discount	495	+ 10
United Scientific	328	+ 15
Warner Holidays A	48	+ 5
Westland	128	+ 6
Whitworth Electric	48	+ 9
Clyde Petroleum	450	+ 15
Sovereign Oil	296	+ 31
Haoma Gold	156	+ 6
North Broken Hill	197	+ 8
Northgate Explor.	450	+ 50
Otter Explor.	82	+ 6
Poseidon	257	+ 9
RTZ	457	+ 10
Sabina	42	+ 8
Samantha	92	+ 8
Swan Resources	82	+ 6
Western Mining	295	+ 8

FALLS

Black & Edgington	28	− 5
Pilkington	237	− 5
Pacific Copper	220	− 20

Unions back talks with Labour on incomes policy

BY CHRISTIAN TYLER, LABOUR EDITOR

TRADE UNION delegates yesterday authorised the TUC to try to work out a new kind of incomes policy with the Labour Party to help it win the next General Election.

At the same time the Trades Union Congress stressed there would be no deal on pay with the present Government, even though Mr. Len Murray, TUC general secretary, told the delegates in Brighton that the TUC would talk to any Government provided it opened the agenda on all aspects of economic management

The delegates accepted the offer of a further economic partnership made by Mr. James Callaghan, the Labour leader, on Tuesday, by 5,276,000 to 3,628,000 on a card vote. Support for the proposition would have been larger had not many of the unions, including the town hall staff, who are not affiliated to the Labour Party, abstained—on the grounds that the call for the return of a Labour Government was party political.

But yesterday's vote does not mean that Mr. Callaghan will secure the kind of wage restraint policy that has been in operation almost continually since the early 1950s. The successful composite motion said wages would not be allowed to fall behind prices.

Opposition from the floor was led by the 2m strong Transport and General Workers union which does not believe that a Labour government can introduce the planned economy described by Mr. Callaghan on Tuesday as his quid pro quo for their co-operation.

Mr. Moss Evans, the Transport Workers general secretary, said he would be attending the talks that will now begin within the TUC-Labour Party liaison committee, but he was extremely doubtful that any policy other than one of wage restraint could be devised.

"There is a tremendous long way to go. I don't think a Labour Government can in fact meet this sort of demand which the TUC will put in return for an incomes policy," he said. He referred to the expenditure cuts forced on the last Labour Government by the International Monetary Fund.

In a low key debate the unions in favour of an incomes policy, led by Mr. Tom Jackson of the Communications Workers, used the now familiar argument that in a planned economy there must be incomes planning too.

On the other side Mr. Eric Winterbottom, of TASS, the white collar section of the Engineers, said Mr. Callaghan was embarking on a "divisive folly." "There must be no going back," he said.

Just to confuse matters, Congress also carried a motion reaffirming commitment to free collective bargaining and opposing incomes policy and wage restraint. But it was stressed that this was directed mainly at the present Government's use of cash limits to squeeze public servants' wage rises.

Earlier, the 1,200 delegates carried with only a few abstentions a motion condemning the Government for the 2m. unemployed and listing all the economic demands that Mr. Callaghan promised this week will be written in to the Labour Party manifesto.

By far the liveliest debate of the day was on Poland, the TUC general council belatedly redeemed itself in the eyes of its critics with a strong message of support for the Polish workers' demands for independent trade unions. This was delivered by Mr. David Basnett, who spoke to a weakly-worded emergency motion put down by the general council.

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TUC move on Isle of Grain Back Page

Fujitsu to set up £42m circuits plant in Ireland

BY OUR DUBLIN CORRESPONDENT

FUJITSU, Japan's leading computer company, is to establish a £42m plant to manufacture integrated circuits outside Dublin.

The project, which will eventually employ 1,100 people, has delighted officials of Ireland's Industrial Development Authority (IDA) who see it as confirming Ireland's position as the leading European location for Japanese investment.

The decision marks an important development in the Japanese electronic industry's efforts to increase its small, but rapidly growing, share of the European semiconductor market.

It is certain to be taken seriously by U.S. manufacturers, which are already facing tough competition from Japanese companies on the American market. European sales have continued to be dominated by U.S. firms, which account for more than 60 per cent of integrated circuit deliveries.

Another Japanese manufacturer, Nippon Electric, is considering establishing a £20m microchip plant in Scotland.

Japanese companies have previously supplied Europe mainly from exports manufactured in Japan.

At £I125m (£109m), Japanese investment in manufacturing in Ireland is greater than in all other EEC countries combined.

No figures have been given for the amount of State aid that Fujitsu will receive under the deal but Mr. Desmond O'Malley, Industry Minister, said it was less expensive than some other similar projects.

The Irish Government is believed to have put about £20m into the Irish plant being built by Mostek, one of the major U.S. semi-conductor manufacturers. It must be assumed that they are not giving as much to Fujitsu.

Fujitsu will qualify for the total tax relief permitted on export sales because the deal has been signed before the end of this year.

In future, companies will have to pay a 10 per cent corporation tax.

Fujitsu will make mainly memory circuits and microprocessors for use in computers and other equipment.

The company has annual sales worldwide of more than £1bn and employs more than 35,000 people.

It is planning to establish three other plants similar to the Dublin one this year—two in Japan and one in San Diego, California.

Fujitsu said yesterday that the availability of skilled labour and training facilities, as well as attractive sites and incentives, had brought it to Ireland.

The company made seven different study trips to Ireland before making a decision.

About 11,000 people are employed in electronics in the Irish republic. This is expected to grow to 30,000 in tha next five years.

In spite of general cuts in public services, the Government is spending money to increase the number of college places and research centres in the electronics field.

Aiwa opens Welsh plant. Page 9

£100m defence contract

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

A £100m contract for the improvement of Britain's air defence network has been won by a consortium comprising Plessey and Marconi with Hughes Aircraft of the U.S.

The contract is being awarded by NATO through the Procurement Executive of the UK Ministry of Defence.

The consortium will update over five years the existing Royal Air Force ground-based computer, data processing and communication network known as the UK Air Defence Ground Environment.

It will ensure extensive radar cover beyond the end of the century, around the coasts of Britain and into the North Atlantic.

The consortium is called UKADGE Systems (UK SL). It hopes that, if work goes well, it will be in the running for similar contracts, worth several billions of dollars, which are expected to be awarded by NATO for the comparable improvement of air defence facilities throughout Western Europe.

Details of these contracts are still being settled. They are likely to be issued for competitive tender by NATO over the next two to three years. Competition is likely to be fierce.

There were 32 companies

Continued on Back Page

HINT ON HELP FOR EXPORTS

The Government might consider changing its defence procurement policy to increase British competitiveness in foreign markets, Mrs. Margaret Thatcher hinted last night. She urged UK manufacturers to increase exports of defence equipment. Page 6

UNLISTED SECURITIES

SE Council to alter rules for new market

BY CHRISTINE MOIR

THE Stock Exchange Council is pressing ahead with plans for the proposed Unlisted Securities Market. But heavy pressure from market users has forced major changes to the rules envisaged in last December's discussion paper.

Draft rules are being circulated confidentially in advance of the council meeting on September 16, which is expected to approve them for submission to the Council for the Securities Industry on October 2.

Under the original proposals the Unlisted Securities Market was seen primarily as a transitional market for small or relatively young companies en route to a full listing. Entry qualifications would have been fairly stiff but general policing was to have been lighter than for listed companies.

Transition to a full listing was to have been largely a formality but companies would not be allowed to relegate themselves from the listed to the unlisted market.

Now the transitional nature of the Unlisted Securities Market has been abandoned. Companies chosing to join this market will not be pressed to move to full listing.

Entry requirements have also been relaxed significantly. No formal accountant's report will be required before entry: companies will have to prepare only a table of financial statistics.

Once trading on the market, however, companies will have to follow a general undertaking to conduct their business in a way almost identical with the requirements of the Listing Agreement for companies with full quotations.

Despite this much stiffer continuous regulation Unlisted companies will not be able to move up to full listing semi-automtically as originally intended. There will need to be a full prospectus before graduation.

The council has also reduced its requirements for the amount of stock which must be offered to the market on entry. Previously pitched at 15 per cent of total equity the new rules suggest that 10 per cent would be sufficient.

The document warns sponsoring brokers, however, against permitting companies to place a limited number of shares "followed shortly by the release of further shares at high prices" by the principals. That sort of dumping would be strongly frowned on.

Another alteration in the draft rules would introduce dual capacity into the domestic stock market.

The council has bowed to demands by provincial brokers for permission to raise capital for local companies as used to be possible before all the stock exchanges were amalgamated.

Now, issuing brokers to unlisted companies will be allowed to make markets in the shares in order to ensure that a steady market is established.

The new rule can be expected to create controversy in the light of the referral of the Stock Exchange's present rule book to the Restrictive Practices Court.

Until now the rules have insisted on "single capacity" and brokers have been prohibited from acting as principals.

Now the council is saying, in the context of the Unlisted Securities Market, that "the difficulties and objections to brokers taking positions or acting in dual capacity in this limited field are not insuperable provided adequate safeguards exist against abuse."

The document faces up to a number of legal and fiscal problems relating to the curious status of companies whose shares would be classified as unlisted for Stock Exchange purposes but would be traded on a properly regulated stock market and could therefore be regarded as indistinguishable from listed securities as investments.

It also argues that the establishment of the Unlisted Securities Market ought to entail the running down of the present twilight market whereby shares can be informally traded under rule 163, that is, by permission of the Stock Exchange.

If the Unlisted Securities Market rules are approved the 163 market would be run down during the next year and become almost defunct by next autumn.

All sections of the 163 market would be affected including oil exploration companies presently trading under rule 163(3).

They would now be required to comply with the Unlisted Security Market rules

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£ in New York

—	Sept. 2	Previous
Spot	$2.4160-4160	$2.4010-4040
1 month	1.28-1.23 dis	1.12-1.07 dis
3 months	2.80-2.75 dis	2.58-2.51 dis
12 months	6.25-6.10 dis	5.75-5.55 dis

Alliance launches yearling bonds

BY TIM DICKSON

THE Alliance Building Society, the seventh largest, is to seek money from institutional investors through the first building society issue of fixed rate marketable yearling bonds.

Over the next 12 months, Alliance, which has assets of £1½bn, hopes to swell the funds available to it for home loans by £60m.

The first tranche of £5m which is to be placed tomorrow is being made at 15⅜ per cent with the interest fixed and payable at maturity after one year.

This compares with a coupon of 15 per cent on the latest batch of local authority yearling bonds, on which interest is paid twice yearly.

The Alliance bonds will be issued to corporate investors in multiples of £50,000. Private investors will not be allowed to buy them.

The issue is being placed by Manchester Exchange and Investment Bank in conjunction with stockbrokers Phillips and Drew, who will also help to develop a secondary market. This will be done independently of the Stock Exchange through the informal matching of buyers and sellers.

"Although he shall not earmark these funds for any particular type of mortgage, this move will help us to do more towards meeting the demand for larger loans than we have in the past," Mr. Roy Cox, the Alliance's chief general manager, said last night.

"This is the first-ever building society placing in the wholesale money market and we believe it will develop into an important addition to our traditional source of funds for home loans."

The possibility of tapping institutional investors has been a building society talking point and other societies could follow Alliance.

The idea was first mooted in a consultative green paper on mortgage finance in 1977. It gained momentum earlier this year with the publication of a report of a Building Societies Association working party, with Mr. Ralph Stow as chairman.

The Stow Report advocated the possible issue of building society certificates of deposit, though its main conclusion was that societies could meet the projected demand for mortgages from traditional retail sources.

Mr. Cox forecast a continuing

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DOUBTS THAT £6.9m CREDIT REQUEST WILL BE MET IN FULL

Bonn promises help for Yugoslavia

BY JONATHAN CARR IN BONN

WEST GERMANY has made clear it is ready to help Yugoslavia overcome its economic difficulties—but it is not sure that Belgrade will receive the whole of a DM 3bn (£6.9m) credit it has asked for.

Word of the exchange between Bonn and Belgrade has emerged as West German banks put the finishing touches to a DM 1.2bn credit for Poland—one-third of it covered by a government guarantee.

Bonn is anxious to move the question of financial and economic aid for Eastern European countries on to a more international footing, as it is fearful of snowballing demands on limited resources.

Government officials said that in a letter dated August 30, Chancellor Helmut Schmidt assured the Yugoslav Government that Bonn would do what it could to help.

But the officials denied a newspaper report here that Herr Schmidt had expressed confidence that credit talks with Belgrade could be successfully completed by the time Mr. Veselin Djuranovic, the Yugoslav Government leader, visited Bonn later this year.

It is pointed out here that the Yugoslav request, specified in June, for two credits each of DM 1.5bn for 1980 and 1981 is a matter in the first place for West German commercial banks.

The Government insists it can only provide a state-backed guarantee if the credit sum is going for projects which will help ensure the security of West Germany's raw materials and energy supplies.

It is understood that the Yugoslavs are seeking the credit for imports which do not appear to fall within the scope of this Bonn rule—and the Germans are unwilling to create a precedent for fear they will be flooded by requests from other countries.

The same point arose in the case of the new credit for Poland, with Bonn able to guarantee DM 400m of the DM 1.2bn put up by private banks on grounds the Poles promised increased coal deliveries to the Federal Republic.

None the less, there is no disposition in Bonn to ignore the request of Yugoslavia—which it is felt is seeking firmly to follow a stable and independent course in the wake of the death of President Tito.

It is hoped that West Germany and its partners in the International Monetary Fund may be able to agree on co-ordinated action to help Belgrade—for example during the IMF meeting in Washington in September.

Meanwhile, Herr Josef Ertl, the Bonn Agriculture Minister, has suggested a plan for helping Poland. In the Cabinet yesterday he said that some of the European Community's surplus food might be despatched to help feed the Poles. Herr Ertl's colleagues agreed he should take up the idea with the Commission in Brussels.

W. German unemployment rises in August

BY OUR BONN CORRESPONDENT

THE WEST GERMAN Government has stressed that it plans no new measures to try to boost the flagging economy—despite a slight rise in unemployment in August and a forecast that the jobless total for next year will average more than 1m.

The Government spokesman made this clear after a Cabinet meeting at which the latest unemployment figures were presented. They show that last month 864,500 people in Germany were without a job—an unemployment rate of 3.7 per cent, compared with 3.5 per cent in the same month last year.

The spokesman noted that tax cuts already announced and being introduced at the start of next year would produce additional purchasing power of close to 1 per cent of Gross National Product. The Government planned no other steps to help increase economic growth.

He stressed that West Germany's international competitive position was strong, and there were signs that the recession in some key countries, which were customers for German exports, would not be too severe.

There have, however, been clear signs that some leading members of the ruling Social Democrat Party (SPD) have become uneasy at the increasing evidence—not least on the jobless total—that an economic downturn is now underway.

Herr Volker Hauff, the technology Minister, and his Labour Ministry colleague, Herr Herberet Ehrenberg, both of the SPD, have recently and publicly raised the question as to whether more state finance is needed to help boost growth and safeguard jobs.

However, even with a general election little more than a month away neither Chancellor Helmut Schmidt nor the Liberal Free Democrats (FDP)—junior partner in the coalition government—have shown any disposition to accept new state economic programmes. For one thing, it is far from clear how these would be financed given the current high level of state debt, a main theme in the election campaign.

Leading members of the SPD have also been urging the Bundesbank to recognise the signs of weakening economic growth and cut Lombard and Discount rates. However so far the Bundesbank Central Council has maintained high rates to attract foreign capital—and the signs are that it will probably continue to do so at its meeting in Frankfurt today.

In a report made public yesterday, the Economic Institute of Hamburg said that although the economy would pick up during 1981, the jobless total would nonetheless average more than 1m, but the Institute also cited state debt as a reason for the government to avoid further economic stimulation.

Mr. Mintoff: surprise visit to Rome.

Mintoff in Rome for talks on aid

By Rupert Cornwell in Rome

THE Maltese Prime Minister, Mr. Dom Mintoff, was holding surprise talks in Rome last night aimed at finalising an aid package for the island of up to L20bn (£10m) from Italy to replace, at least in part, the assistance previously forthcoming from Libya.

Mr. Mintoff's hastily arranged meeting here with Sig. Francesco Cossiga, the Italian Premier, and Sig. Emilio Colombo, the Foreign Minister, follows the recent sharp deterioration of the nine-year friendship between Valletta and Tripoli.

Simmering Maltese resentment at Col. Gaddafy's increasingly obvious ambitions in the island came to a head two weeks ago when a Libyan submarine successfully forced a rig operating on behalf of the Maltese Government to stop drilling in waters contested by the two countries.

Advised to take a "prudent" line by the Foreign Ministry here the Italian-owned rig complied with the Libyan pressure and is now winding up its operations off the Medina Bank, some 50 miles to the south-east of the island. Italian naval vessels are in the area keeping an eye on events.

There seems little doubt that Rome will accede to the request for help to shore up the weak economy of Malta, which is of strategic importance in the southern Mediterranean. Discussions between the two countries have been in progress for some time.

More problematic, however, is Mr. Mintoff's idea for a commitment by Italy to guarantee Maltese neutrality — something which could conceivably bring Rome into confrontation with Col. Gaddafy's unpredictable regime.

The row between Malta and Libya has caused considerable anxiety here, given Italy's past policy of trying to retain good relations with both sides.

In the case of Libya, Rome has put up with great provocation, including the harassment of Italian nationals working there and the despatch by the Tripoli regime of "death squads" to eliminate its opponents exiled here.

A principle factor in the restraint has been the importance of economic ties between Italy and Libya and this is expected to weigh on Italy's reaction to Mr. Mintoff's present demands.

French trawlermen delay decision on new deal

BY ROBERT MAUTHNER IN PARIS

THE BOULOGNE trawlermen, who triggered off the five-week-long French fishermen's strike, yesterday decided to delay until tomorrow a decision on whether they should accept a compromise settlement of the dispute, worked out by a national mediation commission.

The draft agreement was hammered out during a 14-hour all-night session of the commission, under the chairmanship of M. Francois Essig, director of the Merchant Marine, and grouping representatives of both the fishermen's unions and the trawler owners.

Though the Socialist-leaning CFDT, which represents the majority of fishermen in Boulogne, indicated that it supported the draft protocol, the Communist-led CGT rejected it out of hand on the grounds that it accepted the principle of a reduction of trawler crews.

At a general assembly in Boulogne, the fishermen decided that they needed more time to study the protocol and union representatives emphasised that, in the absence of many of their members, it would have been inadvisable to take a vote yesterday.

But the real reason for the delay in taking a decision was probably that fishermen were confused by the conflicting positions adopted by their two main trade unions.

Under the proposed agreement, the trawler owners made a concession by agreeing to allow their ships to go to sea immediately with 22-men crews, while a new convention on manning levels was being negotiated. The deadline for the new arrangement has been set for October 1.

Though the trawler owners previously demanded that crews should be reduced to 19, they dropped this specific demand temporarily for the sake of reaching an interim agreement. But the draft, nevertheless, states that manning levels will be modified, which can only mean a reduction.

On the other hand, the agreement makes it clear that this will not involve the dismissal of fishermen employed on industrial trawlers. The reduction of crews would be achieved by a system of rotation, under which some fishermen would remain at home for several days.

Having been made idle through no fault of their own, these fishermen would be paid at the rate of about FFr 3,500 (about £350) per month, while land-bound, compared with a normal average monthly wage of FFr 6,500 (about £650). Most of the cost of this scheme would be borne by the National Employment Fund.

If the trawlermen's dispute appears to be nearing a solution, the independent inshore fishermen, who clashed with police on Tuesday during a demonstration in Paris, are still far from satisfied with the Government's proposals to improve their lot.

In particular, the Government has remained adament in its refusal to increase the already-substantial fuel oil subsidies to fishermen, which a group of National Assembly Deputies, representing fishing constituencies, want increased from 10.5 cantimes to 35 centimes per litre.

Extreme rightwing group banned

BY DAVID WHITE IN PARIS

THE FRENCH Government yesterday outlawed a para-military rightwing extremist organisation, the Federation for National and European Action (FANE), which has links with neo-Nazi groups in other countries.

The organisation, held responsible for several terrorist attacks, came back into the news last month when a police officer, M. Paul-Louis Durand, one of its top members, was suspended from duty. M. Durand's contacts with rightwing extremists in Italy became known after the arrest in Nice of M. Marco Affatigato, an Italian who is currently facing extradition proceedings.

According to a recent statement by its leader, M. Marc Frederiksen, FANE had about 260 militants. The group was formed 14 years ago by members of other extreme right associations.

The group wore pseudo-military uniforms and boasted an emblem of three arrows set inside a circle and a square, surmounted by an eagle.

M. Frederiksen is facing charges for condoning war crimes and inciting racial hatred. The group has claimed responsibility for attacks this year on the offices of the Soviet airline Aeroflot and the premises of an anti-racist organisation.

Occident, the organisation from which FANE's leaders mostly came, was outlawed in 1968. Another extreme right organisation, New Order, also formed by former Occident members, was dissolved in 1973 after an anti-immigration demonstration. The Communist League, which staged a counter-demonstration, was banned at the same time.

Yesterday's measure brings to 22 the number of extremist associations dissolved by decree since the student and labour troubles of 1968. The majority have been extreme left or regional separatist groups.

The Government also issued instructions yesterday for a clampdown on illegal immigration into France. It said that frontier police would automatically turn back anyone found with false papers or carrying a firearm. These people would be given no opportunity of obtaining legal papers at a later date.

The presidential spokesman said the measure was aimed at reducing security risks and clandestine labour. France has already tightened up considerably on immigration, with two controversial pieces of legislation, known as the Bonnet and Stoleru laws, on deportation and on work and residence permits. The Constitutional Council later overruled part of the Bonnet law and said that people due to be deported could not be imprisoned without the consent of a judge.

M. Christian Bonnet, the Interior Minister, said yesterday that the new measures did not affect France's 105,000 political refugees or the status of foreign workers who had legal papers.

Kreisky insists on reform plan

VIENNA—Chancellor Bruno Kreisky of Austria, threatened to resign yesterday unless a programme of reforms is introduced to avoid political conflicts of interest. His move appeared designed to force from the Goverment Dr. Hannes Adrosch, the Vice Chancellor and Finance Minister, who has come under heavy opposition fire.

The Chancellor's demands, which are likely to be met, result from bribery allegations surrounding the building of a new Vienna hospital, a scandal which opposition parties have tried to blame on Dr. Kreisky's Socialist party.

They include a division of the Finance Ministry's budget functions and a requirement that any Socialist Minister would be barred from owning a business. The two measures appear aimed directly at Dr. Androsch, the owner of a tax consulting firm.

Dr. Kreisky: threat to resign.

Court and government investigators are probing allegations of bribery in the awarding of contracts for the hospital, which is still unfinished. Ten executives and government officials are in custody, including Mr. Fritz Mayer, the head of Austria's Association of Industrialists.

The Socialist party has been under constant attack through the summer by the Opposition parties, each of which has laid the blame on the Socialists. Dr. Androsch had been a particular target of attacks.

The Socialists easily defeated a no-confidence motion aimed at Dr. Androsch in a special session of Parliament called on August 21. Dr. Kreisky, however, spokes for less a minute at the session and his failure to defend. Dr. Androsch was widely seen as signalling the Finance Minister's eventual expulsion from the Government.

Dr. Kreisky is both Chancellor and the head of the Socialist Party, which holds an absolute majority in the Austrian Parliament.

AP

More cash to create Spain jobs

By Tom Burns in Madrid

THE SPANISH Government has released an extra Pta 1bn (£5.7m) for civic works to employ the rural jobless in southern Andalucia where severe hardship and discontent led to hunger strikes and demonstrations last month.

The radical peasants' union, Sindicato Obrero del Campo (SOC), which had organised most of the protests, accused the Madrid Government of offering stop-gap measures and refusing to tackle the real problems behind the endemic seasonal unemployment of the region.

The extra funds were transferred from the Ministry of Agriculture departments, including those dealing with experimental farming and agricultural research, and added to a grant of Pta 4.6bn which the Government had earmarked for civic employment in Andalucia during the September-December period. Announcing the new funds, Sr. Salvador Sanchez Teran, the Labour Minister, said they would be employed "like fire extinguishers" in emergency situations.

In August the village of Marinaleda, near Seville, attracted widespread publicity when several hundred villagers fasted for 10 days in protest against insufficient government money for the jobless. The strike spread to several other rural communities and for several days protesters staged demonstrations that blocked main roads in the south.

The increased funds drew sharp criticism from the radical SOC which has frequently upstaged the orthodox Left among the landless labourers and commands strong support in the more depressed areas of Andalucia. Sr. Diamantino Garcia, a prominent SOC leader, said the issue was one of land reform, and Government-backed investment in the region.

The unemployed, who comprise as much as 18 per cent of the active population in certain areas of Andalucia, can earn Pta 1,300 (£7.50) a day working on municipal projects. Unemployment is widespread in the area until December when the olive harvest begins.

Fears for Swedish economy

By William Dullforce in Stockholm

Sweden's economy is still in very bad shape and a programme to cut public spending and stimulate industry is more vital than ever, Mr. Lars Nabseth, managing director of the Swedish Federation of Industries, said yesterday in his federation's latest bulletin.

In one of the most forthright statements so far from a Swedish industrialist, he questioned whether the measures contemplated by the Government would be sufficient in the long term to put the economy back on its feet.

The non-Socialist coalition of Prime Minister Thorbjörn Fälldin has submitted proposals for a 1.9 per cent increase in value added tax and increases in excise duties on spirits, tobacco and fuel to an extraordinary session of Parliament. It has also undertaken to cut SKr 7bn (£700m) from budget spending.

Mr. Nabseth called for action to reduce industry's general costs and for changes in Swedish price regulations. He also strongly attacked the trade unions' "solidarity" wage policy which, he claimed, had been taken to 'absurd lengths".

The solidarity policy demands equal pay for equal work irrespective of whether a worker belongs to a profitable company or to a loss-maker. It also erodes differentials in wages between skilled and unskilled workers.

In Sweden even the hardest hit sectors were forced to pay the world's highest wages, Mr. Nabseth claimed. If the Swedish textile industry had been able to operate at West German wage costs during the past three years, it would have had SKr 800m (£80m) more cash to play with, he calculated.

Swedish taxation had produced an almost impossible situation for anyone wanting incentives to make a greater effort. It was also seriously affecting the country's chances of attracting foreign companies and researchers.

Bankers pessimistic on wider ECU role

BY JOHN WYLES IN BRUSSELS

THERE WILL be little scope for employing the European currency unit (ECU) in commercial banking transactions until European Community central banks take a number of positive steps to change its status, according to a report by the Banking Federation of the EEC.

Prepared at the request of the European Commission, the report stresses that banks can do little by themselves to broaden the use of the ECU, which currently has a limited role in settlements between EEC central banks. Its other main significance is as a denominator for fixing central rates in the European monetary system.

With the Community still formally committed to expanding the EMS in the direction of monetary union, the Banking Federation's report offers an interesting statement of the necessary preconditions for transforming the ECU.

Legal changes it sees as necessary include making the ECU fully convertible into each Community currency and other reserve assets, allowing residents of each member country to hold ECU-denominated bank accounts and to purchase and hold ECU-denominated securities, allowing the ECU to be used as a unit of account in commercial contracts and ultimately giving it a status as almost equivalent to that of the national currency in each country.

Financial preconditions influence the creation of a foreign exchange and deposit market for the ECU, actively supported by official institutions, says the report.

Dutch curbs on defence

BY OUR AMSTERDAM CORRESPONDENT

THE DUTCH Government is to inform NATO headquarters in Brussels that it is unable to raise defence expenditure by the agreed 3 per cent next year, Mr. Pieter de Geus, the Netherlands Defence Minister, said in The Hague.

He blamed the Treasury's financial position. Defence Ministry officials said that the Netherlands was not the first European country unable to stick to the expenditure agreement, and pointed to Britain and Belgium.

Dutch newspaper reports, which could not be confirmed by the Defence Ministry ahead of the September 16 budget, say real expenditure growth will amount to only 1.5 to 1.8 per cent next year. The Ministry said this year's expenditure, at Fl 10.8bn, is also behind the growth target at 2.9 per cent.

Metin Munir reports on Ankara's failure to tackle rising political violence

Small hope of unity as Turkey drifts towards chaos

WHILE TURKEY'S political violence continues to increase, the country's squabbling politicians have squandered an opportunity to halt the slide towards chaos.

The main opposition parties have prevented early elections from being held this autumn. These would almost certainly have given Mr. Suleyman Demirel, the Prime Minister, a majority in Parliament and the power to deal with the crisis.

Instead, Turks will now go to the polls next June and Mr. Demirel will limp on till then, without a majority and surviving merely because his chief opponents cannot agree.

Eight months might not appear to be a long time. But the Turkish Parliament is paralysed. It has not been able to elect a new president in over 100 ballots and has left untouched a number of important bills. These include anti-terrorist motions which the Turkish generals have been demanding for years. There is also a taxation bill, recommended by the International Monetary Fund, which would have brought relief to the poor masses that are proving fertile ground for extremism.

Many Turks had hoped that the early elections would allow Mr. Demirel to turn his back on the extreme Right-wing Nationalistic Action Party of Mr. Alparslan Turkes, on whose support he now depends. While this dependence has not prevented Mr. Demirel from introducing harsh economic austerity measures, his critics claim it has hampered him in coming to grips with the political terror from Left and Right which is claiming between seven and ten lives a day and to hold the seeds of civil war.

Mr. Suleyman Demirel (left) and Mr. Bulent Ecevit have proved unable to bury their differences.

An increasing number of districts, towns and even whole cities are coming under the control of armed terrorists who are law unto themselves. In these so-called "liberated zones," state authority is either weak or non-existent. These tiny "dictatorships" of armed men are a foretaste of the authoritarian regime these groups could one day impose on the whole country.

A quarter of Turkey's 475,000-strong army is deployed in the streets, administering martial law in 20 of the country's 67 provinces.

Mr. Demirel expects a victory at the polls and it is clear that the majority of adult Turks retain their faith in the political centre. But in the past two years, a growing number of Turks, crushed by inflation and unemployment have drifted towards the extremist groups that promise salvation.

The fate of Turkish democracy will to a large extent depend on whether this trend can be stopped soon and the masses brought closer to the centre by a strong Government which could begin to appease their justified demands for greater social justice and reform.

The early general election could have provided just such an opportunity and served as a referendum. But Mr. Bulent Ecevit, the main opposition leader, and Mr. Necmettin Erbakan, the chairman of the Islamic fundamentalist, National Salvation Party, talked out the motion. They fear that law and order have so broken down that a free election would be impossible.

These fears may be just but Mr. Ecevit's chief, but unspoken, concern is that his Republican People's Party would lose heavily. His tenure as prime minister ended last October when he lost to Mr. Demirel in mid-term elections and his party is still in disarray. Several groups within the party are trying to oust Mr. Ecevit—a man who was their hero less than two years ago. In reaction, he has recently purged the party's provincial organisations of his opponents.

Mr. Erbakan, who actually tabled a motion for early elections, joined Mr. Ecevit in talking out the issue because he too would not gain.

Yet although politicians are under pressure from the generals and the public, they seem incapable of putting aside their differences. Mr. Demirel and Mr. Ecevit recently met and reached limited agreement on anti-terrorist legislation. But this lasted only a few days before the two went back to trading daily insults.

With Parliament paralysed, the Government weak and the political leaders incapable of forming a united front, it is difficult to be optimistic about the country's future. An American observer wrote recently that "the most likely outcome seems to be either decline into total collapse and civil war, or—more probably—an army takeover with the same outcome. And Turks may succeed in completing their collapse in two years."

Certainly, the economic crisis is severe with record inflation and unemployment, foreign debt which cannot be serviced for lack of foreign exchange, strikes, dropping industrial production and a critical dependence on imported foreign oil. Turkish society is gradually being divided into two enemy camps. The police are highly politicised and many officers are aligned with the terrorists of Left or Right.

But there are strengths. Turkey's capacity to suffer seems to be limitless and Turks may be among the most resilient people in the world. The army, which has intervened in politics twice in the past 20 years, has so far remained aloof from the extremes and remains a formidable bulwark against civil war and chaos.

The main hope is that an economic revival would deprive the terrorists of their recruiting ground. The economy is improving in that inflation has slowed. But this has been at the cost of stagnation which has increased unemployment, strikes and social discontent. For the improvement to turn into revival, funds from Western banks and Governments must keep flowing.

Turkey has reached its present predicament principally because its democratic system and institutions have been unable to satisfy the demands for a higher standard of living of the bulk of the population. Some fear the terror marks the first stirrings of rebellion by the masses.

Terrorists claim 29 lives in day

THOUSANDS OF armed police and troops were drafted into Ankara yesterday after one of Turkey's worst days of political violence, Reuter reports.

At least 29 people were killed throughout the country, seven of them in Ankara, in political violence that has already claimed 1,700 lives this year.

The biggest attack on Tuesday night was by a gang of 10 young men, apparently from the Left, who opened fire with machineguns and threw bombs at the offices of the Association of Agricultural Engineers in a busy pedestrian area in the capital.

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Mideast talks 'in a few weeks'

BY ALAN MACKIE IN CAIRO

MR. SOL LINOWITZ, the U.S. special envoy, appears to have failed to get President Sadat to order a speedy resumption of the talks on Palestinian autonomy.

A *brief* and vaguely-worded statement issued after he met Mr. Sadat at the President's villa in Alexandria yesterday, said that Israel and Egypt had agreed to resume negotiations at some point.

It added that the two sides would spend the next few weeks building up an atmosphere of "trust and friendship" vital for the success of the talks.

(President Jimmy Carter said yesterday in Washington that the peace talks would resume "within the next few weeks.")

Mr. Sadat appears to bave won Israel and the U.S. round to the need to bold another summit. The statement says they had agreed to hold a summit at a time to be agreed.

Mr. Sadat interrupted a meeting with a group of professors from Alexandria University to spend 50 minutes with Mr. *Linowitz*, who *flew directly* from Israel yesterday morning to present Mr. Sadat with the fruits of three days of discussions with Israel leaders. Israeli reports said they incInded some minor concessions.

Since President Sadat broke off the autonomy talks early last month *in protest at the* Israeli Bill to unify Jerusalem, Egypt has taken a firm line on the need by Israel to remove some of the obstacles it is placing—in Egypt'a view—in the way of the peace negotiations.

Egypt has since been advocating behind the scenes diplomacy to build up an atmosphere of trust.

Mr. Sadat's refusal to re-start talks quickly has led to some superficial cooling of relatioos *with* the U.S. wbere *Presideot* Carter badly needa the appearance of movement in the talks to be maintained for electoral reasons—a point drawn recently by Mr. Kamal Hassan Ali, Foreign Minister, while testifying to the Egyptian People's Assembly Foreign Relations *Committee.*

More West Bank settlements planned

BY DAVID LENNON IN TEL AVIV

ISRAEL PLANS to approve four new Jewish settlements on the occupied West Bank, bringing the number of settlements to 85.

Mr. Ariel Sharon, Agriculture Mioister, revealed this to Mr. Sol Linowitz, the U.S. special envoy to the Palestinian autonomy negotiations.

Israel's Cabinet last week approved the construction of six new settlements which will he built soon. Mr. Sharon told Mr. Linowitz during his mediation visit to Israel this week that the government plans four new settlements and will then have completed its settlemert programme on the West Bank.

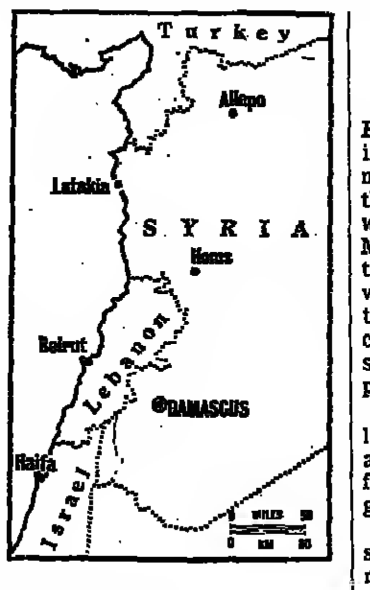
The U.S. bas long urged Israel to halt its settlement *activities*, which the U.S. regards as illegal and also as a serious stumhling block in the negotiations on Palestinian autonomy in the occupied territories.

Mr. Sharon's declaration does not refer to the expansion of existing Jewish settlements to which houses are coostantly being added. Nor does it rule ont the possihility of expropriation of more Arab-owned land.

The spreading of Jewish settlements throughont the occupied territories has been one of the major sonrces of friction between Israel and Egypt *and between Israel* and the U.S.

The Palestinians living on the West Bank regsrd the settlements as a form of colonialism. In addition to their anger over the way their land had been taken for settlements, the Palestinians also fear that as the population of the Jewish settlements grows, they will seek to expand *at the expense* of the indigenous Palestinian population. There have already been some instances of this.

Meanwhile, it has been reported in the local Press that work has heen completed in the building in Arah east Jerusalem to which Mr. Menahem Begin, the Prime Minister, *has said* he plans to move his office.



Syria steps up raids on Brotherhood

By Our Damascus Correspondent

SYRIAN security forces, continuing tbeir crackdown on Moslem Brotherhood terrorists, have successfully stormed two more hideouts of the *outlawed* organisation.

***Io two raids on strongholds* in Aleppo, in northern Syria, a total of 16 people were *killed, and large quantities* of arms and ammunition found.**

Last week an amnesty expired during which Moslem *Brotherhood members* were allowed to give themselves np without punishment. About 900 or more members of the organisation are claimed to have done so.

For the past 17 months Moslem Brotherhood memhers have staged a series of violent raids on members and institutions of the regime of President Hafez al Assad, which is dominated by the *minority and heterodox* Alawite sect.

The Brotherhood attacks on the regime, of which the *most spectacular* was the murder of abont 60 Alawite officer cadets in Aleppo in June, 1979, bas been the gravest internal threat it has faced.

Mr. Abdul-Rauf Kasm, the Prime Minister, returned to Damascus on Tuesday night from Tripoli where Col. Gadaffi, the Libyan leader, announced his desire for an "immediate and full merger" of *Libya with Syria*, a call eagerly taken np by President Assad.

The Baath Party bas announced *its* acceptance of the merger proposal.

Mining giants come under fire in Australia

Patricia Newby reports from Canberra on moves to impose a special tax on mining company profits

POPULAR BELIEF in growing in Australia tbat international miniog compaoies are getting the country's resources cheaply *while* providing little *io return.* Many Australians complain that the companies provide little hy way of jobs, that they are raping the land, disturbing aboriginal communities and riding roughshod over aboriginal claims for protection of their sacred sites.

Few Australians are particularly sympathetic to the ahoriginal cause hut they are no fans of the foreign mining giants.

Recent spectacular profits by some companies have helped revive pressure on the Government to impose a tax on their "excess" earniogs.

A "resource reot tax," as it is known, *has been canvassed from* time to time in Australia. The *justification is that* Australian "non-renewable" resources are theoretically owned by the people, who hsve some right to rent.

A tax was seriously considered by tbe ruling National Couotry Party coalition of Mr. Malcolm Fraser, tbe Prime Minister, but in 1978 it was aonouoced tbat sucb a tax would oot be imposed.

The Government is now under pressure to consider the tax again aod it is likely that the role of foreign corporations will become an issue in the federal election to be held within the next few mooths.

Tbe leader of the opposition Labour Party Mr. Bill Hayden bas already announced that a resources rent tax will be introduced if Labour wins the electioo.

Buoyant world metal prices have produced sharp rises in mining profits. Last week, the copper giant, MIM, announced profit of A$203m (£100m) for the year, whicb was double the figure for last year, which in turo was douhle the previous year's profil.

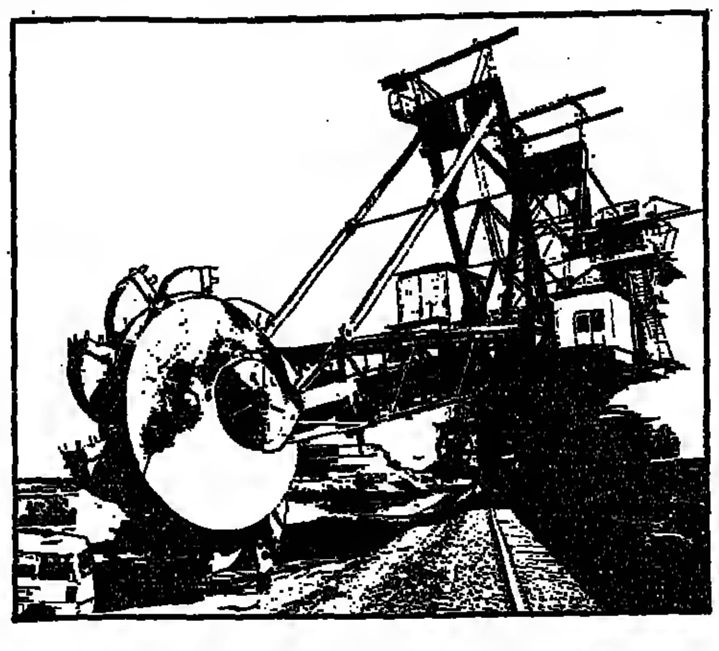
At the same time, it was anoouoced that drilling for oil on behalf of the U.S. oil company Amax, bad begun at Noonkanbah in Western Australia, in spite of vigorous appeals hy hlacks and their white sympathisers that the site was sacred to aboriginals.

On top of this, a committee on economic strategy from the chief economic policy-making departments of the civil service recommended to the Government that reteotion of "more than normal profits" hy one section of the economy would help create excessive pressure on wages which might spread to other areas of tbe *workforce.*

"With the expansioo of potentially very profitable resource projects, pressures could well arise for reconsideration of an appropriately structured resource rent tax," the committee said in pre-budget advice to the Government.

The committee's views would not generally he made public, but its pre-budget strategy documeot is ooe of a number, including the budget itself, that have beco leaked in the past few weeks.

The committee advised that if the public was to cootinue to accept the Government's foreign investment policy, "a reasonable sbare of the beoefits should accrue and are seeo to accrue to Australians." Taxation arrangemeots for the miniog industry already provided substantial incentives and "there is a case for minimising further concessioos," the committee said. It also recommended that infrastructure should be built by the mining companies as far as possible.



Mining companies in Australia ay the usual 46 per cent Company Tax, Payrool Tax according to the number of employees and witholding taxes on interest and dividends remitted overseas. *Royalties* are also paid to State Governmeots, usually as a rate per tonne, or as a percentage of the value of sales. In the case of coal, there is a levy of A$1 a tonne on all coal exported. In some cases, State goveroments levy *freight charges.*

The resource rent tax could be levied project by project so that a company with several mines would pay tax on the profits of established and successful ventures while bearing the loss on undeveloped prospects. Another method would take a percentage nf the declared annual profits of eacb corporation—although this would eocourage sucb schemes as investment in real estate to disguise profits.

Mr. Ralph Willis, Labor's economic spokesman, has recognised that there is a threshold at which an excess profits tax could discourage exploration and *development. Finding* that threshold is not easy. To some Australians there is no such thing as excessive profit, while some academics have suggested that the Government could *safely* take all profit over and above s reasonable return of say 20 per cent to the mining company.

The Australian Mining Industry Conncil, which represents the non-oil mining sector, is not unnaturally totally opposed to a resources rent tax.

It attacks the notion that the people, througb the Government, have a right to payment for the non-renewable resources by saying that the resources are actually provided hy the companies themselves at very great cost — usually about A$50m in exploration expenses for each project. Undiscovered minerals in the ground are not assets in any real sense, it says.

It also rejects the argument advanced by the interdepartmentsl *committee* that a tax on profits might reduce *excessive* wage *demands from* mining employees.

There is even doubt whether mining companies make unusual profits. A study of investment in mining from 1958-79 by experts at the Australian Scbool of Management coocluded that the average return of 11.9 per cent "appears to be similar to the average return on *equity investment* in commercial and industrial firms over the same period.

Tbe mining companies further insist that they make their contrihution to national wealth, accounting for a full third of Australia's exports and about 6 per cent of Gross National Product.

In the end, it is not justice or logic which will wio the day but power. As yet, it is not clear wbether the Government will be able to wrest its rent from the miniog industry without the companies threatening to withdraw capital and abdicate their risk-taking role.

Thais in protest at air travel tax

BY DAVID BUTLER IN BANGKOK

IN BANGKOK'S competitive air-travel business, a discounted return ticket to Hong Kong costs ahout Baht 6,000 (£125), *but it is a bargain that fewer* Thai citizens will be taking advantage of if the Government's Ministry of Finaoce has its way.

In an attempt to improve the country's foreign exchange flow, the Ministry has proposed imposing a Baht 2,000 (£41) tax on anyone leaving the country. Although details are not yet available, it is assumed that Thais travelling to Singapore and *Hong Kong for shopping*—or to Macau for gambling—are the main targets of the legislation.

Luxury items such as cameras aod stereo equipment cost about twice as mucb here as they do in Singapore or Hong Kong. Thais and residcot foreigoers fino it profitable to buy such items outside the country and try to get them through Tbai *customs.*

Thai botellers and sportsmen were the first to protest the proposed tax. An association of *major* botels *pointed out that* tourism generated Baht 10bn in *foreign* exchange every *year*, and said that the business required hotel executives and travel agents to travel abroad.

Mr. Sucba *Techawanit*, secretary of the Judo Association of Tbailand, ooted that Tbai sportsmen and *sportswomen* were not required even to pay passport fees. "If a tax is levied on athletes leaving the country it will not be possible for us to send teams at all," Mr. Sucha said.

The English-language Bangkok Post newspaper listed a number of obvions drawhacks to the proposed rule. "The tax if implemented will make travel abroad the exclusive right of the affinent," it argued.

Hua tells Japanese Minister he has resigned

PEKING — Chinese Premier Hua Gofeog told Japanese *Foreign Minister Masayoshi Ito* yesterday that he has submitted *his* resignation as Premier and described bis successor, Vice-Premier Zbao Ziyang, as "a very talented man."

Ito later reported that Hua formally introduced Zbao, 61, a pragmatic economist, as China's next Prime Minister. Hua, wbo will retain his post as party chairman, said he suhmitted bis resignation to the Central Committee.

Hua also said the Central Committee has designated Zbao to be his successor, according to Ito.

Ito was to meet Chioa's senior Vice-Premier Deng Xiaoping today hefore leaviog for Japan. Deog, too, has said he plans to resigo as vice-premier during the National Peoples' Congress, China's parliament.

Hua is expected to announce his resignation on Sunday before the Congress.

Five vice-premiers also will *resign*, hut *keep* their party positions. They are Deng Xiaoping, Li Xiannian, Chen Yun, Wang Zhen and Xu Xianqlan, Defence Minister.
AP

AMERICAN NEWS

U.S. PRESIDENTIAL CAMPAIGN

Reagan apologises as state leaders attack Klan remark

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

MR. RONALD REAGAN and his running mate, Mr. George Bush, were yesterday trying to minimise the political damage created by the Republican candidate's offhand remark linking President Jimmy Carter with the Ku Klux Klan.

Mr. Reagan himself apologised to the Governor of Alabama for any unintended insult, but rather peevishly complained that the Carter campaign had unfairly exploited the incident, that it was the President's advisers who had first connected the Klan with the Republican Party, and that the American media had gone off "half cocked" in covering the affair, taking their lead nakedly from the promptings of the President and Vice President Walter Mondale.

Mr. Bush, campaigning in Florida, conceded that the Republican nominee may have committed a "glitch" in raising the Klan connection, but then accused Mr. Mondale of "groin kicking" in distorting what Mr. Reagan has said on a number of issues. Taking the low road, Mr. Bush implied, could rebound on the Democratic ticket.

Mr. Bush . . . warning to Democrats.

While it would be unwise to read too much into the politics of the Klan affair, it has certainly served to contrast the quickness and efficiency of the Carter camp in blowing it up with the rather bemused and slow-footed appreciation that anything was amiss on the part of the Reagan team.

Within hours of Mr. Reagan's sally, seven southern state Governors had been prodded into sending telegrams of protest to the Republican candidate, and every conceivable Democratic leader, from the President himself down to the party's national chairman, had swung into action with the ritual denunciations, delivered, for maximum effect, in front of television cameras.

Meanwhile, the Reagan camp dithered for almost a day before issuing a grudging apology and found that, not for the first time, the carefully crafted substance of his assault on Mr. Carter for economic mismanagement was being ignored by the media and the public at large.

For Mr. Reagan then to commit politician's cardinal sin of complaining that the press is biased against him is unlikely to dampen journalistic appetites to expose subsequent indiscreet remarks.

In other ways, the Reagan campaign is continuing to show itself devoid of the slickness that is expected. For example, also in Detroit, the candidate casually remarked to a group of car workers that he would, as President, find ways of curbing Japanese imports, thus apparently abandoning his belief in free market enterprise.

His aides spent some time floundering after him trying to explain that he was not advocating import controls, only diplomatic negotiations with Tokyo, and then having to explain further how this approach differed from that of Mr. Carter, which both the car manufacturers and unions find inadequate in any case.

It is pretty obvious that the hard core of Mr. Reagan's support does not mind what he says and believes that the general public likes a man who speaks his mind plainly. Moreover, it is only fair to point out that any campaign encounters teething troubles, which may be overcome by the right application of oral hygiene.

But the trouble with this view is that rarely before has the voting public at large been so uncertain about the presidential choice confronting it.

Already, disparate polls from around the country are showing a distinct shift away from Mr. Reagan.

There are also rumbling from the Republican Party hierarchy, which rallied so strongly behind Mr. Reagan at the Detroit convention, that they are not being given useful roles in the campaign.

At the same time, the Carter campaign seems to be picking up the pieces of the Democratic Party. Yesterday morning, in the White House, Mr. Jerry Wurf, head of the Clerical Workers Union and an early backer of Senator Edward Kennedy, endorsed the President's reelection.

Trudeau may act early on Constitution

LAKE LOUISE, Alberta—The Canadian Parliament may be recalled sooner than the planned mid-October date to discuss constitutional reform, the Prime Minister, Mr. Pierre Trudeau said yesterday.

Mr. Trudeau said he wanted action by the end of the year on power sharing in a new Constitution, even without complete agreement of all provinces.

The Ottawa Government will concentrate on shifting ultimate control of the Constitution from Britain, and on introducing a constitutional amending formula and charter of human rights, Mr. Trudeau said.

Mr. Trudeau and senior Cabinet members are holding a second day of discussions at Lake Louise on constitutional reform and the timing and content of an autumn budget.

Next week the Prime Minister meets the 10 provincial Premiers in a major constitutional conference in Ottawa.

Most of the provinces are fiercely opposed to asking Britain to hand over the right to amend the constitution until there is overall agreement on the sharing of powers over natural resources and the economy.

Robert Gibbens adds from Montreal: Speculation of an autumn provincial election in Quebec is increasing, following resignation of two ministers from the Levesque Cabinet, for personal reasons.

Bolivian military junta to leave Andean Pact

LIMA—Bolivia will leave the Andean Pact to join a southern grouping of military-ruled nations in South America, a Bolivian minister said here.

Captain Lider Sosa, Bolivia's Oil Minister, said the Andean Pact had violated its own rules by intervening in the affairs of a member country. This was apparently a reference to criticism of the Bolivian military junta by fellow Pact members after the July 17 coup.

The other members of the economic grouping, Peru, Venezuela, Colombia and Ecuador, are ruled by elected governments.

Captain Sosa said Bolivia's new military leader, Gen. Luis Garcia Meza, had already indicated the decision to withdraw from the Andean Pact. The Minister said Bolivia would join the "Southern Cone Pact."

The existence of a tacit southern defence pact in South America was acknowledged in Buenos Aires on Monday by Gen. Marcial Samaniego, Paraguay's Defence Minister.

The general, on an official visit to Argentina, said "there has been such a pact for some time. We meet on a regular basis to dicuss problems in the southern cone."

The grouping is thought to include Argentina, Uruguay, Chile and Paraguay, which have military-dominated governments.

Reuter

Army rivals struggle for power in Salvador

SAN SALVADOR—The two military members on the civilian-military junta in El Salvador are locked in a power struggle again over who should be running the armed forces, Government officials confirmed yesterday.

Col. Jaime Abdul Gutierrez took control of the armed forces two months ago in an internal fracas with Col. Adolfo Majano, and last weekend exercised his power and reassigned several young and so-called "progressive" officers loyal to Col. Majano, whom rightists consider to be a leftist, the officials said.

The officials said Col. Majano responded by sending a telegram to all armed forces commanding officers, asking them not to comply with Col. Gutierrez' order, but the request was ignored.

Many of the officers reportedly affected helped in the coup of October 15, 1979, that toppled the conservative President, Sr. Carlos Humberto Romero, whose political views are still held by some top military leaders.

Since the coup, at least two proposed right-wing takeovers have been thwarted with the help of the U.S., which backs the junta.

The junta has been trying since the coup to stop the left-ist-rightist battle for power in El Salvador. Human rights bodies say at least 6,000 people have been killed in the political violence this year.

AP

WORLD TRADE NEWS

Burmah set for India offshore oil bid

By K. K. Sharma in New Delhi

BURMAH OIL is expected to bid for an offshore tract in the Bay of Bengal in India's continental shelf, bringing the total number of foreign companies seeking to explore for oil offshore to eight. Burmah's bid is among the strongest since it already has links with the Indian oil industry.

Burmah jointly owns Oil India with the Indian Government, although its share is to be taken over in bring the company, which operates in Assam and has recently been given an offshore tract to explore in the Mahanidi Basin, entirely in the public sector.

Expectations are that the compensation to be given to Burmah for its share in Oil India will be ploughed back into the offshore operations for which the Burmah bid is expected. The tract which Burmah is expected to seek is that which the Carlsberg Group explored unsuccessfully some years ago.

The takeover of Oil India has been considerably delayed because of the related question of compensation for the Assam Oil Company which Burmah also owns and which the Government wants to nationalise simultaneously. The Government's argument is that Assam Oil has liabilities which should be offset against the compensation for Burmah's share in Oil India.

The compensation question is now nearing solution and it is expected that Burmah will agree to offset part of Assam Oil's liabilities against the compensation for its share in Oil India. Expectations are that this will then be invested in the offshore concession to be given to Burmah.

The other seven companies which have shown interest in India's offer to throw open tracts in the continental shelf to overseas concerns for exploration are British Petroleum, Shell International, Compagnie Française des Petroles, Mexico's Construcciones Protexa, Occidental Petroleum, Phillips Petroleum and Amoco.

All are required to submit their offers by September 15 and serious negotiations will begin soon after that.

Argentina and Canada agree on N-plant

OTTAWA — Canada and Argentina have reached agreement on a new payment and construction schedule for a nuclear reactor being built near Cordoba by Atomic Energy of Canada (AECL), the company said.

The deal was finalised during talks in Buenos Aires last week between Mr. James Donnelly, AECL president, and Admiral Carlos Castro Madero, head of Argentina's National Atomic Energy Commission.

Plant construction is behind schedule, mainly because of frequent disputes over payments terms to recompense the Canadians for runaway inflation which has decreased the value of the Argentine peso during the past several years.

The plant is now scheduled to come on stream in 1982.

The contract for the reactor was first signed in 1974 and renegotiated for the first time in 1976, when the price was increased from the peso equivalent of $160m to $500m. AECL sought another revision early this year.

The deal must be ratified by the two governments but "as far as we are concerned, we have a new contract."

Reuter

Algeria fails to double LNG price

BY FRANCIS GHILES

ALGERIA'S attempt to double the price of the liquefied natural gas (LNG) is sells to France and the U.S., its two major customers, appears to have failed.

Algeria is resuming its full quota of LNG shipments to France despite Sonatrach, the State oil and gas company having failed to convince Gaz de France to pay just over $6 per btu (British Thermal Unit) for the gas it was buying.

Sonatrach argued in favour of bringing the price of gas into line with that of its Saharan Blend crude oil, which would have more than doubled the price Gaz de France was paying.

M. Belkacem Nabi, president of Sonatrach and Algeria's Minister of Energy, got both the OPEC ministerial meeting, held in Algiers last June, and the congress of the ruling FLN party to endorse his demands.

Recent hints in the official FLN daily in Algiers, El Moudjahid, which spoke of indexing the price rises of gas to those of crude oil rather than bringing the price of gas into line with that of oil, suggested the Algerians might be willing to compromise. That they appear to have done, at least with the French with whom they have agreed a price of between $3 and $3.50 per btu.

If agreement is reached between Sonatrach and the U.S. Department of Energy it will be on a broadly similar price. Until its supplies were interrupted—and they have been completely so since Easter—El Paso was paying $1.95 per btu for the gas being shipped from Arzew to the U.S.

If it reaches agreement with El Paso, Sonatrach can be expected to reach agreement with Distrigas of Boston, whose smaller contract has not been interrupted during the furious argument that has spanned the best part of the year.

Shipments of LNG to France, which had been reduced to a trickle after Easter, were restored to 11 last month and are expected to reach 14 in September, the level at which they stood before Sonatrach started cutting back in January.

Discussions last month between Sonatrach and visiting U.S. Department of Energy officials have also raised hopes that shipments to the U.S. for El Paso, from the major liquefaction base at Arzew in western Algeria, would be resumed soon.

Long delays on Soviet steel plant

BY KEVIN DONE IN FRANKFURT

CONSTRUCTION OF the ambitious Soviet steel complex at Stary Oskol in the Kursk iron ore field is running at least two years behind schedule, according to leading West German contractors who are supplying several large plants for the project.

The delays have been caused partly by the recent Olympic Games in Moscow, which pulled away resources from other projects in the USSR.

Much of the work at Kursk, about 600 km south-west of Moscow, is being undertaken by the Soviet Union itself, including the building of many of the steel structures, erection and civil construction work.

It is in these areas that many of the delays are occurring and, as a result, the Soviets have been forced to put much of the equipment arriving from West Germany into storage until the site preparation work is further advanced.

According to the original schedule, West German process plant contractors had expected the first plants at Kursk to start coming into production next year, but the start-up is now likely to be postponed to 1983 at the earliest.

To date the Soviet Union has placed contracts worth about DM1bn (£232m) with West German contractors for plants at the Kursk complex, and one further major order worth about DM 300m, could be placed later this year.

The first contract was placed at the end of 1977 with Korf-Stahl and Lurgi for the construction of a DM450m 1.7m tonnes-a-year Midrex direct reduction plant.

Further contracts were awarded to Salzgitter for a DM180m 2.5m tonnes-a-year iron ore pelletisation plant and to Krupp for the 1.3m tonnes-a-year steel plant. Part of the order for power station equipment went to Siemens, although the chief contract was won by Asea of Sweden.

The continuous casting plant is to be supplied by the Soviets, but there is still fierce competition between two German groups for the building of the rolling mill.

Australia in major deal with Airbus and Boeing

By Patricia Newby in Canberra

THE EUROPEAN Airbus consortium and Boeing of the U.S. will spend A$250m (£120m) in Australia in the next few years in return for aircraft orders from Qantas and the domestic airlines TAA and Ansett.

This represents 25-30 per cent of the value of new aircraft ordered by the three airlines, and is in addition to previous commitments totalling A$350m.

Mr. Kevin Newman, Minister for Productivity, announced the latest package of offset deals negotiated by the Government on behalf of the airlines yesterday but refused to specify the proportion to come from each of the manufacturers concerned.

Offset deals, including manufacture of wing parts for Airbus Industrie in Australia estimated to be worth at least A$50m, are factors being considered by Prime Minister Fraser's Cabinet before it decides whether to cancel TAA's Airbus order in retaliation for the European Economic Community's proposed sheepmeat regime.

TAA, which is Government-owned, has been advertising its proposed purchase of the A-300 Airbus for its next generation passenger aircraft.

A decision by the Government on whether it will forfeit the A$25m-A$30m deposit on the Airbus contract and the proposed offset deals will be made within the next few weeks when the EEC finalises the sheepmeat regime. Australia believes the regime will damage its meat and live sheep in markets such as the Middle East because of subsidised European exports.

Mr. Newman said the Government's policy of trying to obtain 30 per cent of the value of foreign aircraft orders in offset deals for Australia had been met in the case of the wide-bodied Airbus A-300 and the Boeing 767. But he said Boeing had asked that the details be kept secret on the proportion of the value of offset deals on purchases of the narrow-bodied 727s and 737s ordered by Ansett.

Australian aircraft manufacturers have indicated that they propose to spend about A$15m in upgrading plant to be able to handle the offset deals arranged by the Government.

● Fokker Aircraft announces that Air New Zealand has ordered two F-27 MK-500 Friendship aircraft for delivery in July and October, 1981, AP-DJ reports from Amsterdam. This is one in a series of orders in which Air New Zealand is replacing a fleet of old F-27s with newer ones. The planes will be used on the company's domestic air network. Fokker orders for the F-27 now total 715 aeroplanes to 158 operators in 63 countries.

S. Africa plan for self-sufficiency

BY BERNARD SIMON IN JOHANNESBURG

MIDDELBURG STEEL, South Africa's only stainless steel producer, has embarked on a major expansion programme aimed at increasing exports of semi-finished stainless steel products.

The company, a subsidiary of Barlow Rand, earlier this year announced extensions costing R127m (£70m) to make South Africa virtually self-sufficient in stainless steel. The further extension, announced yesterday, will bring the project's total cost to R150m, spread over the next two years.

Exports of hot band and slab are expected to rise from nil to around 125,000 tons a year, and of finished stainless steel from the present level of 10,000 tons a year to around 18,000 tons. Total export earnings, based on current prices, should increase by R120m a year.

South Africa's steel and ferro-alloy exports are adversely affected by the sharp appreciation of the Rand against the U.S. dollar in the past 18 months, as well as weak demand in major foreign markets.

Local ferrochrome producers are estimated to have lost some $30m in the past year as a result of the strengthening rand. Samancor, the West's largest manganese producer, which also exports various ferro-alloys, last week reported a sharp fall in after-tax profits; from R26.7m in the six months to June, 1979, to R19.1m in the same period this year.

Highveld Steel, South Africa's second largest steel exporter, said yesterday that "with the developing recession in overseas markets, the strengthening of the rand against the U.S. dollar and the continuing domestic inflation, base metal and mineral exporters selling in U.S. dollars will find business increasingly difficult over the months ahead."

Bahrain seeks finance for plants

BAHRAIN — Bahrain expects to raise loans over the next 18 months for an aluminium rolling mill and a petrochemicals project to be built here, says Mr. Ibrahim Abdel-Karim, the Finance Minister.

He said that the complex would cost about $500m, with about one quarter equity and the balance a loan.

The $120m rolling mill would be financed on a 50-50 ratio or one to two equity to loans.

Mr. Abdel-Karim was speaking after Bahrain signed a $300m loan to help finance the acquisition of a 60 per cent stake in the Caltex Petroleum refinery here.

The two-year loan from 27 banks was at ¼ per cent over the Bahrain three- or six-month Interbank Eurodollar Offered Rate (BIBOR) with a management fee of 3-16th per cent. There is a nine-month grace period.

Mr. Abdel-Karim said $108m was payment for the equity in the refinery, with the balance to finance oil stocks.

The 250,000 b/d refinery was wholly-owned by Caltex, a joint venture of Standard Oil of California and Texaco.

The total immediate acquisition costs are estimated at $400m, but the Bahrain Monetary Agency said in inviting bids for the loan that $100m would be provided by the Government.

The new petrochemicals complex to be built in Bahrain is part of Gulf moves to co-ordinate industrial strategies.

Reuter

Hopes for more HK cloth trade

BY PHILIP BOWRING IN HONG KONG

THE NEED of the Hong Kong garment industry to move up-market presents a good opportunity for British manufacturers of quality textiles to expand their sales here, Mr. Cecil Parkinson, the British Trade Minister, said yesterday. Mr. Parkinson is leading a 10-strong textile trade mission to the Colony.

Hong Kong, he said, was having to respond to the challenge of lower cost producers, such as Korea, and to the quota restraints imposed in foreign markets by improving its quality. This in turn would boost the "quality" side of Hong Kong fabric imports.

Mr. Parkinson admitted that British manufacturers had so far not given enough attention to Hong Kong sales possibilities. But that situation was changing and the mission was helping to show that it was in the "mutual interest" of British cloth manufacturers and Hong Kong garment makers to do more business among each other.

The Minister noted that one company represented on the mission, Allied Textiles, had already secured a £1m order. That may not sound like a massive breakthrough in a market of Hong Kong's size, but it is significant for British sales.

Last year Hong Kong fabric imports totalled HK$7.4bn (£670m). Britain's sales amounted to only £14m, or less than 1 per cent.

The main British market at present is for woollen and worsted cloth. But even in this, Britain's market share has declined from 25 per cent in 1977 to 14 per cent last year.

Mr. Parkinson said he hoped that more British retailers would specify use of UK cloth when ordering garments from Hong Kong manufacturers.

Ohio's pockets of prosperity foil the sharper edges of recession

THE U.S. RECESSION, says David Zarnoch, has been "a heck of a lot more severe than anticipated." "I think," says James Duerk, "it will be a long time before we see any sharp movement away from recession."

These are not comments you would have been likely to hear in New York or Washington in the last fortnight. Both propositions, although tenable in the national context, reflect the geographical location of the speakers. Mr. Zarnoch is vice-president and economist at the Ameritrust Bank in Cleveland, Ohio, and Mr. Duerk is the state's director of economic and community development.

The remarks also point to the reason why Columbus, Ohio's state capital, was one of Mr. Ronald Reagan's first calling points last week and the city in which he dubbed the downturn the "Carter recession."

Mr. Reagan knows that if he can convince the people of Ohio, where one in 10 workers are jobless, Michigan (unemployment rate 14 per cent) and Indiana (12 per cent) that Mr. Carter is to blame for their plight, he is well on the way to winning the Presidential election.

But it is as easy to oversimplify the problems of the Ohio economy as those of the U.S. economy as a whole. "If you could cut off the north-eastern corner of the state and toss it into the lake, then everything would look OK," said Professor Wilford l'Esperance, of the Department of Economics at Ohio State University.

Ohio, a state of many economies, thus presents several different faces in what most national economists believe is the tail-end of the current recession.

Although the state jobless rate is the worst for five years and likely to go higher yet, Ohio's farmers have seldom had it so good. They escaped from the drought which hurt corn crops further south, forcing up prices, and can count on much above average income performance this year. Ohio ranks 12th in U.S. farm income, growing just over US$3bn in 1978.

Even in manufacturing, for which the state is rightly best known—it accounts for 37 per cent of the state's jobs and almost half its output—there is more than one story to be told. The north-eastern part of the state takes in Youngstown, the spillover from the Pittsburgh-centred steel industry, which has just lost its last basic steel producing facility after decades of neglect by the steel companies in the area. It also takes in Akron, America's tyre city, badly hit by the motor industry recession, which compounded earlier problems caused by a failure to foresee the switch from crossply to barder-wearing radial tyres.

Ian Hargreaves, recently in Columbus, reports that Ohio is among the states worst-hit by the U.S. downturn. Both President Jimmy Carter and his opponent, Mr. Ronald Reagan, have shown their awareness that discontent in the Midwest could help to decide the Presidential election in November.

Further west, heading towards Michigan and Detroit, lie the motor-dominated communities of Lorain and Toledo, which helped Ohio become the second most important State for motor parts manufacture. In some communities unemployment has now hit 20 per cent because of Detroit's problems with imports and the slump in demand for its big cars.

But that still leaves most of the rest of the state. Apart from the cornfields and the greenhouses, there is Columbus, a handsome state capital which provides a sharp antithesis to many of Cleveland's problems. Its economy is diverse—20 per cent manufacturing, 37 per cent services (with over 50 insurance companies) and 20 per cent government providing the bulk of jobs.

An $80m convention centre and spanking new Hyatt hotel are rising among the other high-rise concrete and glass towers of the 1960s and 1970s. The airport is in chaos because of rebuilding, giving Columbus the air of a southern boom town. The contrast with Cleveland is pointed up by the fact that Columbus has, in the past three years, added two major new corporate headquarters at a time when Cleveland has lost three.

Further south, Cincinnati is the centre of the country's machine tool industry, which has been kept busy through the recession re-equipping Detroit to turn out the small cars the public wants.

Indeed machine tools, which are also important in Cleveland, are responsible in much of what stability there is in the Ohio economy. The industry's long order book, for example, says Mr. Zarnoch, is responsible for the fact that Ameritrust has not seen any appreciable drop in loan demand from business during the recession.

None of these compensations, however, removes two important facts. Real hardship is now being suffered by many car workers, who have now been out of a job for more than a year, and their unemployment benefits have therefore expired. The economy of Ohio is continuing, as a whole, to do worse than the national economy.

Although there are no reliable statistics for the past couple of years, Prof. l'Esperance says he has no reason to believe that the trends of the past 30 years have been reversed in that time.

In that period, Ohio's share of the nation's manufacturing jobs fell from 7.9 to 6.8 per cent.

According to a study by the Cleveland Federal Reserve, the state has done worse than the national average in almost all its basic industries. Even Ohio-based companies have chosen to build plants in the cheaper, less unionised southern states in the past decade, during which Ohio lost 100,000 jobs, a record exceeded only by three other states.

According to Prof. l'Esperance, new capital expenditures in the state doubled between 1964 and 1976, whereas in the nation as a whole they trebled. Ohio's old steel plants are thus the first to go down when recession strikes.

The fact that production workers' wages in Columbus average $7.57 an hour, nearly $1 an hour lower than Cleveland, helps to explain the movements within the state economy. Honda probably picked a town just by Columbus for the same reason, rather than a more northern location, for its motorbike and car plants.

But this does not alter the challenge which still faces Ohio, and the whole industrial heartland of the Midwest, in reversing the decline in investment, innovation and productivity.

That is the problem which Mr. Carter was seeking to address last week with his package of tax cuts and industrial incentives, and which the state is trying to tackle by more than doubling the amount of industrial development incentives it offers.

In Mr. Zarnoch's opinion, the President's proposals are nowhere near enough to deal with the problem, but are at least a step in the right direction. Mr. Carter's re-election chances depend in part upon his proposals winning a rather more enthusiastic reception than this elsewhere in the Midwest.

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The Farnborough International Air Show

Higher defence exports urged

BY RICHARD EVANS, LOBBY EDITOR

THE PRIME Minister hinted last night that the Government might consider changing its defence procurement policy to increase the competitiveness of British companies in export markets.

Mrs. Thatcher, speaking at the Farnborough Air Show dinner at Grosvenor House, London, urged UK manufacturers to increase their exports of defence equipment well beyond the annual level of £1.2bn, impressive though this was.

"It is not enough . . ." she said. "The procurement budget of Government and the skills of our people, if used together to the best advantage, could bring the country far larger sums and more jobs at the same time."

The Prime Minister added that if this opportunity were to be exploited, government and industry must work more closely together. Among the suggestions put forward were:

● That whenever possible the requirements of the Ministry of Defence were met in a way compatible with the industry's needs.

● That the aerospace industry should point out exactly where export opportunities lay and precisely what was required to enable Britain to compete successfully.

"This is well recognised by the Government, and the prospects of overseas orders will be a factor which will play an increasing part in deciding our own operational requirements," she said.

● That better use of development contracts could help British manufacturers, if the Ministry of Defence and other procurement agencies took an earlier view of future requirements.

"Too often industrialists feel they need to recover all their own development costs from the first few units sold and consequently they set their prices at uncompetitive levels," she said.

But industry should be more ready to spread its research and development costs over the longer production runs that aggressive salesmanship could achieve in world markets.

In spite of the Premier's remarks, there is no prospect of an early change either in the methods used to purchase defence equipment or in the money available. She said that while the Government was determined to improve Britain's defence capability, defence spending had to be contained within the new cash limits.

The moratorium on defence contracts, announced on August 8, would not continue for longer than necessary.

● The need for an agreed long-term strategy for the development of the aerospace industry was stressed in London last night by Mr. Eric L. Beverley, commercial director of the dynamics group of British Aerospace, and president of the Society of British Aerospace Companies. At the dinner, he said the closest co-operation between the Government and the industry was needed.

"Regrettably in the past this has not always been so," he said. "But it is the hope of the British aerospace industry that at last we have a government which understands the important contribution that aerospace can make, not only to the economics and the employment of the country as a whole, but also to its foreign policy.

"There does need, however, to be an agreed strategy between the Government and the industry, and one that is not changed every five or six years when the going gets difficult and when development costs are at their highest, projects at their most vulnerable, and the effect on morale most serious."

U.S. to develop airborne laser weapons

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE U.S. Air Force is flying a four engined jet aircraft devoted exclusively to the development of high energy laser weapons.

Called the Airborne Laser Laboratory, it is designed to produce laser weapons which can destroy enemy aircraft and missiles at great heights.

The ALL has been revealed to the public for the first time at Farnborough, where the air force is showing a cutaway model of the aircraft with details of how it will operate.

The model and the details of the programme associated with it have not yet been announced in the U.S.

While the Air Force is not making any secret of the programme, it is not widely talking about it, either. It is left to interested visitors to the static display to look at the model, read the accompanying blurb that gives full technical details, and ask questions.

The ALL programme comprises test flights with a converted four engined tanker aircraft re-equipped with extensive laser generating equipment.

At present the programme is restricted to testing the aircraft and equipment, but firings with the laser beams at aircraft and missile targets will start soon, using high power carbon dioxide gas dynamic lasers, with an associated beam control system.

The aircraft concerned has a revolving turret on the top of its fuselage through which the laser beam is directed. The beam is generated by equipment in the cabin and directed through the turret by a system of mirrors.

The U.S. Air Force says the beam can destroy targets several miles away travelling at a speed of one mile in 6 millionths of a second.

The fact that the air force is actively working on laser beam weapons with a fully equipped flying laboratory, gives added point to the offer made to the Royal Air Force earlier this week by Dr. Hans Mark, USAF Secretary, of an exchange of information on advanced technology in the future.

Laser weapons technology is believed to be included in his list of what the USAF can offer in return for the RAF's accumulated knowledge on advanced vertical take-off and landing technology.

Terry Byland writes: Agreement has been reached by Loral Corporation of the U.S., Racal Electronics and British Aerospace Dynamics, for co-production in Britain of Loral's ECM aircraft protection system, if it is selected for the updated version of the Jaguar aircraft due in 1983.

Mr. Bernard L. Schwartz, chairman and chief executive officer of Loral, said in London yesterday that if Loral's Rapport III is chosen for the Jaguar, the contract could generate business worth between £60m and £70m for the two UK companies—with the bulk going to Racal.

S. Wales plastics plant to close

By Sue Cameron, Chemicals Correspondent

BP CHEMICALS is to shut one of its plastics plants at Baglan Bay in South Wales with a loss of 300 jobs. On Tuesday the company announced that 400 jobs were to go from its Barry plastics plant, also in South Wales.

The latest cuts mean the company is reducing its South Wales workforce by a total of 19.4 per cent.

The main reason for the "stringent measures" at Baglan Bay and Barry is that BP Chemicals is making a "very substantial loss" on its polyvinyl chloride—PVC—business. It admitted that expected growth rates in PVC sales were "not materialising." This was partly because a number of new PVC plants were being built on the Continent and in the UK. As a result, there was "considerable overcapacity" in the industry.

British Industrial Plastics, part of the Turner and Newall group, has built a new PVC plant at Aycliffe, County Durham, and Imperial Chemical Industries is putting up a new one in Germany.

Meanwhile BP Chemicals is *spending* £33m on a new, 88,000 tonnes a year PVC plant at Barry. The plant being closed at Baglan Bay also produces PVC and has an annual capacity of 90,000 tonnes.

The company said it hoped to make the job cuts at Baglan Bay through natural wastage, redeployment, voluntary severance and early retirement rather than through enforced redundancies.

HONEYWELL: More than 300 jobs at two Scottish factories are likely to be lost over the next year as a result of cuts announced yesterday by Honeywell Control Systems, the U.S.-owned electronics company.

Honeywell plans to close its plant at Uddingston, Lanarkshire, by the middle of next year, with a loss of 200 jobs. It also wants 130 voluntary redundancies over the next six months at another Lanarkshire factory in Newhouse.

Older technology products will be phased out at the Uddingston plant and newer products will be moved to Newhouse.

METTOY: Mettoy, the toy and games manufacturer, is to make 350 people redundant at its Swansea factory, which produces die-cast models for the Corgi and Superheroes series.

LADYBIRD: Ladybird, a children's clothing manufacturer in Coatbridge, Strathclyde, is to make almost 100 workers redundant on September 30. The remaining 350 workers are being put on a 2½-day week.

CROMPTON AND PARKINSON: 90 people are to be made redundant by Crompton and Parkinson, the electrical equipment manufacturer, at its Doncaster electric motor factory. The company blamed the world trading recession.

SHOE-MAKING: More redundancies were announced yesterday in the shoe-making industry in Northamptonshire. Fifteen workers at R. Coggins and Sons have been made redundant and 24 of the 29 workers at Dickens Brothers in Northampton are to lose their jobs.

BRITISH STEEL: BSC confirmed yesterday that most of the 15,800 workers at the Appleby-Frodingham and Normanby Park steel complex at Scunthorpe are to face short-time working. Only the medium section mill will be unaffected.

MANGANESE BRONZE: Manganese Bronze's sintered metals division at Ipswich, is to cut its workforce by 20 per cent because of a fall in orders. The company employs 420 workers.

Nuclear energy warning issued

BY DAVID FISHLOCK AND ROY HODSON

FAILURE TO meet targets set for nuclear energy capacity would result in "still lower economic growth, with the unemployment, the hardships and the instability this entails," Dr. Uli Lantzke said yesterday.

Dr. Lantzke, executive director of the International Energy Agency, was addressing the annual symposium of the Uranium Institute in London.

He said that if one assumed that economic growth will average only 3.2 per cent a year, to the year 2000, and that energy growth would be only half this rate, the nations of IEA would still need to increase its nuclear capacity five-fold.

He believes a nuclear capacity of 485,000 MW by 2000 would be "absolutely necessary" to minimise demand for oil. Even this would require a Herculean effort, he said.

The worst of the opposition thwarting national nuclear-power programmes had been passed, he believed. The greatest threat was of "dwindling public confidence" because the public saw questions unsolved.

This could affect all nuclear issues, "from the more sophisticated and time-consuming regulatory processes to the selection of waste-disposal sites."

He told delegates to encourage greater public confidence through co-operative international projects. A demonstration of nuclear-waste management "involving as many countries as possible" would show that practical solutions really existed.

Dr. Lantzke said the IEA hoped to see European nuclear capacity grow from 27,000 MW today (excluding France) to 150,000 MW by 2000. France—not an IEA member—expected to add another 86,000 MW.

The agency expected Japan's capacity to grow from 13,000 MW to 74,000 MW by 2000; and North America's to grow from 60,000 MW to 260,000 MW by 2000.

The U.S. had 70 nuclear plants operating, totalling 51,000 MW of capacity, and representing about 12 per cent of U.S. electricity output, said Mr. John E. Gray, president of International Energy Associates, consultants of Washington. But in some parts of the U.S. the nuclear part was higher—60 per cent in Maine, more than 75 per cent in Vermont.

Dr. Lantzke chided nations for pursuing purely nationalistic aims in competition for oil supplies last year, in spite of outward signs of co-operation expressed through his agency and through the Tokyo Economic Summit of 1979.

"It is doubtful if this competition gained one single barrel of oil, but it did provide an environment where major producers could more than double prices," he said.

Changes forecast in uranium industry

BY ROY HODSON

FALLING INVESTMENT internationally in nuclear power stations will force changes in the structure of the uranium mining and supply industry, the supply and demand committee of the Uranium Institute forecast yesterday.

At the first session of the institute's fifth annual symposium in London, M. Philippe Darmayan of Pechiney Ugine Kuhlmann, reporting for the committee, said that so far this year 13 reactor orders had been cancelled compared with nine new orders. For the third year running cancellations of reactors in the West had exceeded the number of reactors ordered.

Outside the U.S., countries with nuclear power programmes were considering new projects. West Germany, Britain, Spain, and Italy were among those planning to reactivate their nuclear programmes.

But in the U.S. the impact of the Three Mile Island reactor accident on nuclear activity had not been offset by the oil crisis. For the first time in 10 years no U.S. orders for new reactors were being placed in 1980. The utilities could not be sure that a nuclear power station they ordered today would ever be used.

"Production over-capacity in the uranium industry will lead to adjustments in the structure of the industry" M. Darmayan said. The committee has found it impossible to make a production forecast for uranium after 1985 which would have any reasonable degree of accuracy.

If all current uranium mining projects were realised the Institute believed oversupply would result. This could only be offset by a determined stockpiling policy. If no new uranium mining projects were undertaken because of the depressed market, the annual output would be enough to meet the needs of the nuclear reactors until 1986 or 1987.

Treasury reinforces call for pay moderation

By Peter Riddell, Economics Correspondent

THE TREASURY yesterday took the unusual step of backing its call for moderation in the level of pay settlements with a detailed paper showing the relationship between unemployment and the growth of earnings and of the money supply.

The main article in the latest edition of the Treasury's monthly Economic Progress Report considers what happens when there is insufficient adjustment by pay negotiators to announced monetary targets, so that earnings rise by more than the money supply.

The supporting analysis is based on some of the work prepared by Professor Terry Burns, the Treasury's chief economic adviser, for the Cabinet's discussion of the economy in early July.

The article says there is a link between unemployment and the ratio of earnings to money supply growth. When earnings have grown faster than money supply unemployment has risen. Thus in both 1968-71 and in 1973-77 unemployment grew rapidly as the increase in earnings outstripped the rate of monetary growth.

Companies may respond to an increase in earnings in various way depending partly on the existence of monetary targets and on whether monetary policy is accommodating. In the first case companies may accept lower profits, try to restore profits by raising product prices or by lowering costs, or they may cease to trade. These responses will result in lower output and higher unemployment.

If monetary policy is relaxed, some of these links with higher unemployment will operate less powerfully. But other equally serious problems will emerge.

The Treasury says if a rapid increase of earnings is accommodated by expanding monetary growth, there will tend to be higher inflation and higher unemployment.

The article concludes that if in the next year earnings rose at anything like the rates seen in the last 12 months they would be growing much faster than the planned increase in the money supply.

The Treasury says "the sooner wage negotiations adjust their price expectations and moderate wage settlements in line with the monetary target, the quicker inflation will fall and the less unemployment there will be."

Trends in public borrowing

By Our Economics Correspondent

PUBLIC SECTOR borrowing has fallen as a percentage of total national income since the mid-1970s. But it is still much higher than during the 1960s.

This is revealed in the latest issue of Economic Trends, the monthly journal published this week by the Central Statistical Office, which examines the size and trends of the public sector borrowing requirement since 1963.

Public sector borrowing was 5.1 per cent of Britain's gross domestic product in 1979-80. It had reached a peak of 9.6 per cent in 1975-76, following a sharp rise during the early 1970s.

During the mid-1960s public sector borrowing had fluctuated within a narrow range of 2.8 to 3.6 per cent of gross domestic product, and made a small repayment of debt in 1969-70.

The objective of the Government's medium-term financial strategy is to reduce the share of borrowing from 4¼ per cent of national income this year to 1½ per cent in 1983-84, a percentage last seen in 1970-71.

Scottish agency loss of £1.77m

By Ray Perman, Scottish Correspondent

THE SCOTTISH Development Agency, set up by the last Government to provide public capital for industry, yesterday disclosed another substantial loss on its investment portfolio.

The agency's fifth annual report shows a net deficit of £1.77m on its equity and loan investments, for the year ending April 1, 1980. Last year, the loss was shown to be £1.58m, but revisions to this figure have added a further £100,000.

Like its larger cousin, the National Enterprise Board, the agency is required to work towards a rate of return on capital of 15 per cent. It has yet to approach this level, and the target is under Government review.

In the year up to April, 1979, it achieved a negative return of 14.3 per cent, but managed an improvement to minus 0.8 per cent in the last financial year. Mr. Robert McEwan, the agency's financial director, said part of the reason for this apparently better performance was that some of the agency's larger loss-making subsidiaries had gone into receivership or had been sold at a loss.

● The Welsh Development Agency is to develop a 176-acre industrial estate at Baglan Moors in West Glamorgan to provide 5,000 jobs for steelworkers made redundant at Port Talbot. It will be built on land originally earmarked for housing and schools, but made specially available by Afan Borough Council.

The agency said yesterday the estate would include about 80 factories and would cost about £7m excluding the cost of the factories.

Cable and Wireless shares sale doubts

BY GUY DE JONQUIERES

GOVERNMENT PLANS to sell shares in Cable and Wireless, the State-owned telecommunications company, are being complicated by differences in Whitehall over the method of disposal.

The Treasury is keen to realise the proceeds as soon as possible, and is understood to be pressing for a rapid sale. But the Foreign Office is believed to be urging caution, arguing that rash action could have diplomatic repercussions.

The Industry Department appears to be holding the middle ground. Sir Keith Joseph, the Industry Secretary, wants to introduce private capital into the company but is concerned that its interests should not suffer from a rushed decision.

Directors of Cable and Wireless have been cool to sale proposals. But its chairman, Lord Glenamara, has said he would like to retire soon, and the Government may pick a successor who is in tune with its views.

The front-runner for the job is believed to be Mr. Eric Sharp, chairman of the UK subsidiary of Monsanto, the U.S.-owned chemicals group. But neither Monsanto nor Cable and Wireless would confirm yesterday that he was considering the appointment.

Cable and Wireless does most of its business abroad. Ironically, in view of the company's Imperial history, Government ownership is regarded in many developing countries as a positive factor and is thought to have helped it win orders competition from other, privately owned, telecommunications groups.

For this reason the Foreign Office fears that denationalisation should not proceed without the understanding and approval of government customers overseas, and they are being consulted.

Hard times ahead in train and bus travel

Lynton McLain, looks at the problems facing Britain's public transport system.

TRAVELLERS ON Britain's public transport can expect hard times this winter as the two leading stage operators, British Rail and the National Bus Company, embark on their programmes of cuts and fare rises.

The spiral of "higher fares, cuts in services and the admission that passengers would get lower standards for higher fares" was a recipe for suicide, Mr. Sidney Weighell, general secretary of the National Union of Railwaymen, said in Brighton yesterday.

Under conventional economic wisdom this would appear to be a sound analysis. British Rail and National Bus are already losing passengers—and BR is losing freight business.

Both organisations accept that this is partly because of higher fares, but they have also been hit by the recession and Government external finance limits tighter than ever experienced by Britain's nationalised transport industries.

This combination has loomed large only in the past six months, however. Before that the impact of BR's 20 per cent wage settlement with railwaymen, both operators had reported "profits" for last year.

BR made an operating loss of £400,000 last year, after interest and tax extraordinary items — a year of "harsh success" according to Sir Peter Parker, chairman of the British Railways Board. It made a £6.4m surplus in 1978.

National Bus, with revenue from 35 regional operators, had a net surplus of £6.2m last year, down substantially from the record £17.7m net surplus of 1978.

Sir Peter Parker and Lord Shepherd, the bus company chairman, warned earlier this year that Government cash constraints would force them to cut services.

The first round of cuts came earlier this week. BR said passenger mileage—a measure of the volume of traffic—would fall by between 2 and 5 per cent as a result of the cuts in service.

National Bus said some member companies hit by the recession would have to cut services by up to 30 per cent.

The bus company was set a total external finance limit of £85m for 1980-81, made up of £64m from Government grants and £21m for net borrowing, issues of public dividend capital and leasing. The company has not so far suggested that it is in danger of breaching these cash limits.

Instead it said the recession had resulted in fewer people travelling to work.

Mr. Robert Brook, chief executive, accepted this week that National Bus's cash income was falling short of requirements, but that would not force it to breach its £85m external finance limit. Instead, "we are having to trim our outgoings."

BR, however, has stressed that the external finance limit is at risk because of its growing financial difficulties. It was set a limit of £750m for 1980-81.

Without the cuts in services and more planned as contingency measures, BR believes it would breach the limit by £60m.

It has announced an operating loss after interest of £24.2m for the first half of this year despite making £12.6m operating surplus before interest on its railway activities.

It lays much of the blame for its difficulties on the strike by steelmen earlier this year, which cost the BR freight operations £26m in lost revenue.

But since then rail passenger carryings have dropped by 6 per cent compared with a year earlier. The 20-30 per cent rise in fares earlier this year contributed and BR is losing more revenue from lost passengers than it expected to gain from the rise in fares.

The recession has also hit traffic and the net effect, according to Mr. Weighell, is that the British Railways Board may have a £100m deficit by the end of the year.

The difficulties could not have come at a more untimely moment for Sir Peter Parker who enters the fifth and final year of his contract as chairman this month.

He has had an admirable record of keeping inside government cash limits, so much so that BR has underspent its "public service obligation grant"—the aid for running "socially essential" services—by £147m since 1976.

Not all the cuts are aimed simply at keeping BR inside its cash limits.

They will also help to make its nationwide network more efficient and will go towards making up for the failure of the British Railways Board to implement most of the productivity improvements promised by the rail unions in return for the 20 per cent wage rise.

Passengers will have to help pay for this from November 30 when fares will rise again, by about 15 per cent.

Energy consumption falls 6.7% as recession bites

BY SUE CAMERON

ENERGY consumption in Britain was 6.7 per cent lower between May and July this year than in the same period last year. Provisional figures released yesterday by the Energy Department show the biggest drop was in oil consumption, 11.3 per cent down.

The Department stressed that demand for oil would increase again in the autumn. It warned that Britain was not necessarily "free from supply risks" even though the country is producing as much crude as it consumes. Imported grades of crude were still needed to make up the full range of products sold in Britain.

Coal consumption in the UK fell by 3.5 per cent and demand for natural gas dropped by 1.5 per cent.

Experts are taking the fall in demand for all primary fuels as further evidence of how the recession is beginning to bite.

The downward trend in UK energy consumption started earlier this year. It appears to have eased off slightly in the May to June period. Between April and June this year total energy consumption was 8 per cent lower than in the same months last year and oil demand was 13.1 per cent lower. But the had summer weather of June and July may have led to a slight increase in consumption.

Total inland energy consumption of primary fuels betweeo May and July was 70.7m tonnes of coal equivalent—rather less than the total indigenous primary fuel production of 76.8m tonnes of coal equivalent. But the provisional figures show that UK production was 1.7 per cent lower than in the same period last year.

Production of indigenous oil fell by 5 per cent, of natural gas by 10.6 per cent, and of primary electricity by 12.5 per cent. But UK coal production rose by 6.5 per cent.

The main reasons for the fall in oil production were technical problems on some of the North Sea oil platforms and temporary maintenance shutdowns.

● The Government should pass on some benefits of North Sea oil and gas production in the form of lower energy prices, Mr. Malcolm Bruce, Scottish Liberal Party deputy chairman, will urge the Liberal Assembly in Blackpool next week.

Mr. Bruce is Scottish Liberal spokesman on energy and co-author of a pamphlet entitled Energy and the Economy, the way out of Recession, published earlier this year. In Aberdeen yesterday he said the high value of sterling caused by high interest rates and North Sea oil and gas production was higher than the UK's economic performance could justify.

It was accepted in many circles that North Sea oil and gas would lead to a decline in British manufacturing industry. Falling output and 2m unemployed were ample evidence that this was happening, he said.

If the Government made a significant reduction in energy costs, British manufacturers would have the advantage of lower costs to offset the high exchange rate and make them more competitive, said Mr. Bruce.

State 'cannot cope with scale of energy investment decisions'

David Fishlock, Raymond Snoddy and Maurice Samuelson report on the British Association for Advancement of Science meeting, at Salford University.

STATE institutions alone can no longer cope with the scale of energy investment decisions, *Mr. David Howell*, Energy Secretary, told the British *Association meeting yesterday.*

"There is no evidence at all that people are the least reassured by the knowledge that a particular industry is under State control and ownership and, therefore, theoretically, accountable to the public," he said.

Mr. Howell said at a session on the mixed economy there was no enthusiasm for the "corporatist alternative" which Britain began to develop in the 1970s. That alternative "tried to secure democratic legitimacy for State power by bringing in on the act a few other great corporate interests to achieve a *claimed* legitimacy."

He believed a middle path would emerge through a redefinition of the term public ownership. It should mean ownership *spread as broadly as possible* among the widest possible number of families.

It was a curious paradox, "difficult for those of a centralising turn of mind to grasp," that the *more fragmented* and *widely* shared the ownership, the greater the sense of unity and common cause.

Mr. Howell criticised U.S. energy pricing policy. The "full and appalling cost of keeping U.S. oil prices below world levels may yet have to be paid in the form of a much greater danger to world stability than anything experienced so far."

For a nation, in the space of about eight years from 1970, to drift from oil self-sufficiency to a 50 per cent dependence on one of the most politically sensitive and unstable areas of the world," must surely rank as carelessness on a historic scale."

Mr. Howell said U.S. energy policymaking "continued with an almost suffocating blanket of regulations, controls, and consumerism gone mad." It offered no more attractive an alternative than central control by the state.

Steel cuts 'will boost imports'

THE BRITISH Steel Corporation is discarding too much production capacity and paving the way for higher imports when demand revives, Professor Aubrey Silverston, a former part-time member of the corporation's Board, said yesterday.

"Depressions do not last forever and it is hard to believe that the demand for British steel will not revive considerably by the mid-1980s," he told the association's annual meeting.

Professor Silverston, head of the Economics Department at *Imperial College, London, said* the corporation had over-reacted under pressure from the Government. Plans for contracting the industry seemed "too pessimistic and too dominated by the present deep recession," he said.

Steel producers in the U.S. and Europe were also making heavy losses, yet the cuts being made there were not on the same scale as in Britain.

In Britain, there was a danger that potentially efficient plant would be shut and that imports from Europe and elsewhere would take their place. The suggestion that either Llanwern or Port Talbot in South Wales should be closed was particularly serious. Both are being run down to half capacity.

Professor Silverston said he saw little benefit in proposals to sell off the more profitable sectors of the corporation, apart from slightly reducing the load on top management. He was also doubtful about suggestions to split the corporation's bulk steel making operations into two or more nationalised units.

He said that government intervention had greatly hampered the corporation since nationalisation in 1967. Price restraint between 1967 and 1975 lost £783m in revenue, top management time was diverted, and union negotiations were affected because *it was known* that nationalised industries were not normally allowed to go bankrupt.

Robots may create employment

INDUSTRIAL robots should be seen as "success amplifiers," capable of improving productivity for an already successful product, Professor W. B. Heginbotham, director of the Production Engineering Research Association, told the association yesterday.

Alone, robts could not solve Britain's *economic problems.* But if they were looked upon as success amplifiers making a successful product "cheaper and more reliable and thus even more successful," one would have them in correct perspective, said Professor Heginbotham.

Far from being a threat to employment, robots could create jobs for Britain, he argued. If Britain made only average products which sold in an average manner and achieved an average sales level, the country would subside into an "average state of industrial mediocrity." These sales could not create conditions capable of being exploited by the industrial robot.

Advanced *automation* was powerless to assist because there was no need for amplification of production.

Professor Heginbotham warned against the advice that government's role in robots should be confined to financing basic research, as a catalyst to its application by industry itself. The problem for industry was mainly one of finance. For every £1,000 spent on establishing a basic principle, "at least 10-20 times that amount is required to convert such results into industrial reality."

For government, a most important role was financial partnership with industry to expedite the use of *existing* knowledge. Industry had to be helped and encouraged to update its methods in spite of the recession.

Children given expensive education get on best

RECENT RESEARCH *shows* that educational spending represents a profitable investment and that education increases equity in society, the British Association was told yesterday.

Dr. George Psacharopoulos, lecturer in economics at the London School of Economics, concluded that education matters highly in the determination of life chances.

He based his findings, given in his paper Education and Society—Old Myths versus New Facts, on the UK 1975 General Household Survey.

He said the recent financial squeeze on educational systems in many countries appeared to be based on the tacit assumption that the economic profit derived from education was low.

In fact, he said, it was "possible to estimate the yield per pound, dollar or rupee spent on education using a *similar method* as that in computing the yield of any other asset, like building a bridge or a motorway."

He said the private yield on education must be *well in* excess of 20 per cent whereas the social *yield was of the order of 15 per* cent.

Higher pay obtained because of schooling, Dr. Psacharopoulos said, reflected to a great extent the value of the social product of education.

"Every extra year of schooling is associated with an increment in earnings. This proposition is universally valid."

The data indicated that education gives a child the opportunity to move up the income ladder.

The cost benefits are particularly marked in the case of public schools. Those who have attended a private school earn on average 13 to 16 per cent more than those who went to a State school.

"*Therefore* on *private* efficiency grounds, families who send their children to independent schools are, in fact, getting back a substantial monetary reward for their initial outlay."

According to Dr. Psacharopoulos, "education, whether *State* or private, matters more than family background in the determination of an individual's life chances."

Better recruiting urged

SIR ALASTAIR PILKINGTON, chairman of Pilkington Brothers, called yesterday for renewed efforts to attract the best scientists into industry.

"We had to work hard to enthuse many more with the idea that industry is exciting," he hold the association. "Given all the challenges of industry, and the increasing complexity of industry's problems, it is most important that industry attracts the best minds—rather than that the very challenges should be a deterrent."

Education, industry and government had a responsibility to work in partnership to determine what was taught and how it was taught.

The young must be helped to understand the range of opportunity and experience presented by industry, particularly for the scientist and engineer.

Sir Alastair said the challenges of industry were exemplified at Pilkington. "We worked for seven years to bring to technical success a process that would revolutionise the world's flat glass industry. People worked literally until they dropped."

He criticised the tendency to introduce industry to pupils solely through factory visits.

Unless pupils were better prepared, a *factory visit could* not teach them the importance of profit, the relationship between industry as a creator of wealth and the *education* system that provides its talent.

Post Office pension fund may stay intact

By John Lloyd, Labour Correspondent

THE POST Office Pension Fund, the largest in Europe with assets of about £3bn, is likely to remain uochaoged even though the corporation is to be split in two.

The Post Office Board, which earlier decided to divide the fund, will reconsider the issue next week.

This revision was made necessary by opposition from most Post Office unions, who are broadly *supported* by the fund's trustees.

The one union to agree with the board is the 22,000-strong Society of Post Office Executives, which organises senior telecommunications staff.

It made its position known during a pensions debate at the TUC Congress in Brighton earlier this week.

Larger unions

Other unions, including the two largest — the Post Office Engineering Union and the Union of Communication Workers — believe that the fund should remain undivided because it would then carry more economic weight, and also because the two major unions organise members in both postal and telecommunications sides.

The Inland Revenue has advised the fund's trustees that it must pay *uniform* benefits to all Post Office employees, a factor which the Post Office and the executives' society regard as a disadvantage, but which the larger unions see as a gain.

The most likely outcome of the board's deliberations is a three-year moratorium, leaving the fund as it is until a final review.

David Churchill sees hope in a merger for the London chain

Co-op 'ambulance' arrives

THE CO-OPERATIVE retail movement has been jolted sharply into the reality of retailing in the 1980s by the proposed merger of the two largest retail co-ops in Britain to form a group with sales of more than £800m a year.

The London *Co-operative* Society, the largest of the traditional co-operative retail societies, has decided to seek a *merger* with Co-operative Retail Services, the body which traditionally takes over retail societies in financial difficulties.

The move represents the biggest potential shake-up within *the co-op movement for the past* decade and emphasises the continual *High Street* pressure on co-ops. Their share of total *retail* trade has fallen steadily over the past four years, from its peak of 7.1 per cent in 1976 to 6.7 per cent last year.

In the grocery trade alone, the co-ops remain by far the largest retail operator but their position is under threat. The co-op's shre of grocery sales has fallen to between 17 and 18 per cent of the market and, on present performances, will be overtaken by retailers such as *Tesco and J. Sainsbury* within a few years.

In *spite* of these pressures, the retail co-ops have mostly been reluctant to take any positive steps to improve their position. But the problems faced by the London Society could act as a catalyst for effective change within the movement.

Although it remained adamant yesterday that the move was purely to help finance its store development programme, others *within* the co-op *movement* were describing the proposed merger as very much a shotgun wedding.

In *a* statement yesterday, the London Society said that while it had been experiencing trading difficulties in common with retailers generally, it "has a sound financial base derived from its very considerable property holdings."

The society's lack of retail development in the past—allied to the current slump in consumer spending—has serious consumer spending — has seriously weakened *its* trading position. It has made only slow *growth* in *turnover* over the past four years while turning in a financial loss over the same period—nearly £2m in each of the last two years.

The CRS, on the other hand, has become one of the few success stories in the co-op movement. This has been based on its ability to impose tough rationalisation measures and financial controls on societies it takes over. Although some societies do join the CRS because they feel they will be stronger within a larger group, the CRS's main role is to act as an "ambulance" for the retail movement.

THE LONDON CO-OPERATIVE SOCIETY

	1976 £m	1977 £m	1978 £m	1979 £m
Turnover	192	208	215	230
Net loss	1.1	0.9	1.8	1.9

Since it was first formed in the 1930s, the CRS—which is partly owned by the Co-operative Wholesale Society—has taken over more than 160 societies and now has an annual turnover of £480m.

The usual move for societies with trading problems is to seek a merger with another society. If this proves impossible, then the CRS takes over—and runs he merged society in its own aggressive way.

The CWS, the movement's supplier which is owned by the 191 retail societies, has itself acted as a rescue service in the past—it took over the Scottish Co-op Society—but it is reluctant to be too active in this role.

The London Society's basic problem is typical of those facing the retail movement in general: its *style* of trading has not kept pace with retail developments over the past few decades. It is said, for example, *to* have *too* many *small* shops which are increasingly *becoming uneconomic* to operate.

While other High Street retailers can easily pull out of these sores and move to more profitable retailing locations, the co-ops have the dilemma that in shutting the small shops they take away a local service of which many of their members rely. *Trying* o reconcile commercialism with co-operation is the *movement's* classic problem.

The difficulties at the London Society came to a head last year when Mr. Alexander Balfour, its chief executive, resigned. He was replaced by Mr. Frank Doherty who continued as chief executive of *the Nottingham* Co-op Society.

Mr. Doherty has attempted with some success to tackle the problems. He has shut about 100 of the London Society's smaller stores — bringing its total number of outlets to below 600—while dropping dividend stamps in some stores to concentrate on substantial price cuts.

He had also embarked on a major programme of store modernisation and development to give the society the type of outlets able to compete with other major High Street store chains.

Although *Mr.* Doherty says the London Society's market decline has largely been halted, time appears to have run out. The society was not *in* a position to continue to finance the essential store *expansion* from its own resources. Had it abandoned these plans, the underlying decline in its trading performance would almost certainly have continued unabated.

There was little real alternative, therefore, to a merger with another society. But the *choice* of the CRS has suggested to some observers the seriousness of the London Society's position. Joining the CRS will *mean* considerable loss of control by the London Society's members over the future development of the society.

The members will be asked to ratify the merger at a meeting likely to be held next month.

Assuming that it does go ahead, the key question will be the effects on the rest of the Co-op movement.

The official strategy for the future of the movement is to merge the 191 retail societies to form 25 large regional groups able to compete more effectively with the multiple retail chains. But while the number of societies has steadily dropped through mergers since the 357 in existence in 1970, there is still a long way to go to reach the 25 groups envisaged.

Reluctant

Societies are reluctant to merge because of their traditional independence and the loss of power often involved in a merger.

Throughout the 1970s, various other plans were proposed for creating a more effective retailing structure. The latest proposal, put forward at last year's co-op congress, was to merge the CWS with the larger retail societies to form a new society called "Co-op GB."

This has received little more than token support from the individual societies. There is little doubt, however, that the London Society's move will shock many smaller societies into reconsidering their position.

Letting the CRS take over may not be the ideal way for the retail co-ops to survive in the 1980s, but the London Society for one believes that it offers the best hope of progress during the decade.

School meals 'must be restored,

THE SPEED of deterioration in the country's educational services was "terrifying," and it was heing traosformed into a "cosmic hlack hole" filled hy the nation's children, Mr. Clive Jenkins, General Secretary of the Association of Scientific, Technical and Managerial Staffs, told delegates.

Mr. Jenkins, opening the debate on education, aaid the poor and disadvantaged were suffering most and Mr. Mark Carlisle, Education Secretary, should be impeached.

Congress unanimously carried a motion, moved by the National Union of Teachers, calling for the General Council to form alliances similar to those which brought about the 1944 Education Act.

The aim of this would be to provide full educational opportunities for all; realise a nationwide comprehensive scheme; eliminate all forms of selection; ensure provision of education and training for the over-16s; encourage a greater participation rate in higher education, especially for mature students and women; protect the balance hetween society'a concern for curriculums and the teacher's right to translate that concern; and restore the school meal service to that existing under the previous government.

Mr. Peter Kennedy, of the NUT, proposing the motion, said the Government was aelling the "selfish society" and this was heing hought by many electors. Cuts were heing made to pay for the bribing of people to accept this society.

For every 100,000 people put on the dole queue, £350m was added to puhlic borrowing wbile cuts were imposed in public education. The whole of the education system was suffering.

Government policy was designed to ensure that in the next generation there would he "a favoured few." The trade union movement conld only vlew that with "horror," be said.

Mr. Laurie Sapper, General Secretary of the Association of University Teachers, seconding the motion, sald the Government was treating statistics in ita higher education policy as "a drunken man uslng a lamppost—more as a support than illumination."

The country had to find out why working-class schoolchildren wish to leave the educational process so early.

People, including trade unionists, bad to be ednacted ont of the view that girls did not need the same educational services as boys because they would only move away to bring up children. Ednaction should not he a privilege "but a heritage for us all."

Mr. Norman MacLeod, of the Educational Institute of Scotland, said the trade union movement had to fight doctrinalre proposals resting on the "untested assumption" that private scbools were better than stata ones.

Mr. Ron Keating, of the National Union of Puhlic Employees, using *Churchillian* phrases and referring to 10 Downing Street as HQ, aaid that "never have so many been asked to sacrifice so mucb for so few."

Huge cuts in meal services in auch areas as Northamptonshire, Hampshire and Dorset were victories "chalked up" hy HQ. Despite these cuts, including the loss of jobs for 1,500 part-time kitchen and other staff in Hampahire, the Government atill maintained that the national school meal service was operating 60 per cent ahove estimates.

Congress overwhelmingly backed a motion from the Greater London Council Staff Association urging all TUC unions to support the campaign, sponsored by the TUC's South-East Regional Council, for the retention of a unified education service covering the Inner London area, as presently provided by the Inner London Education Authority.

The motion voiced concern at "current politically motiveted attempts to undarmine and dismember the unified education service" provided for Inner London.

A motion which would have instructed the General Council to press for the immediate ending of differential and discriminatory fees in further and higher education was remitted.

CONGRESS REAFFIRMS COMMITMENT TO FREE COLLECTIVE BARGAINING

Incomes talks with Labour approved

Reports by Christian Tyler, John Lloyd, Pauline Clark, Philip Bassett, Nick Garnett. Photograph by Terry Kirk.

THE TUC leadership received a mandate from congress to pursue discussions on an incomes policy with the next Labour government.

But congress left the TUC in the curious position of heving to take into eccount overwhelming support from lts membership for a commitment to free collective bargaining.

The schizophrenic mood of the TUC rank-and-file was apparent when congress supported by 5,276,000 votes to 3,628,000 votes an emotional eppeal from Mr. Tom Jackson, general secretary of the Union of Communication Workers, for recognition of the need to include a dialogue on incomes with the TUC-Labour Party liaison committee.

He saw this as part of reaching agreement on the hasis for working towards a planned economy to help fight the Conservatives in the next general election.

The motion rejected any wage freeze or incomes policy from the present Government hut contended that the return of Labour, the elimination of unemployment and the reduction of the level of inflation could only come about through a planned economy.

Only a few minutes later, congress carried overwhelmingly on a show of hands a composite motion which reaffirmed a commitment to free collective bargalning and opposition to incomes policy and all forms of wage restraint.

The motion said the General Council should not enter any discusaion about the possibility of TUC *agreement* to any policy of pay restraint. It opposed "arhitrary and discriminatory interference hy the Government in the puhlic sector by cash limits and rate support grants settlements."

It urged agreement with employers to bring UK wages in line with European competitors' wages by 1987.

Mr. Jackson said trade unlonists had nothing to say to the present Government. He said his union believed that talks on *incomes and the drawing* up of a joint economic plan were "an essential preliminary to the election of a Labour government."

Trade unions must never again "stumhle" into the need for an incomes policy and allow it to become a central part of an economic atrategy.

He said the union supported a managed economy to achieve social justice and the return of the Labour government. "But you can't bave a planned economy without planned incomes."

The consequences of a free-for-all could readily be seen in the rise in inflation, fall in living standards, and in unemployment.

Supporting the motion Mr. Bill Sirs, General Secretary of the Iron and Steel Trades Confederation, rejected any suggestion of incomes policy bargaining with the present government. He said it had given workers "a strong dose of 19th century capitalism."

He said free market forces had already decimated the steel, textile and car industries. The pay issue could not be *left* out when a Labour Government returned to power.

The call for e reaffirmed commitment to free collective hargaining conteined in another composite motion hrought together unions with wide interests in tbe public and private sectors.

These ranged from the General and Municipal Workers Union, the Confederation of Health Service Employees and the National Union of Teachers to the Amalgamated Union of Engineering Workers represented by the construclion section and Tass, the white collar section, the Union of Shop, Distributive and Allied Workers and the banking, insurance and finance unions.

Mr. Albert Spanswick, general aecretary of COHSE, moving the motion, said the Government wsa deliberately appealing to the "worst and most sinister elements" of the public in its portrait of puhlic sector workers as overpaid, underworked while henefiting from secure johs. The opposlte was true, he said.

The dehate oo economic policy and employment was led by *Mr. Moss Evons*, general *secretary of the Transport* and General Workers' Union, supporting the motion which condemned "the Government's deliherate strategy to take the number of unemployed to 2m and beyond, in an attempt to force working people to carry the burden of lts economic policies."

The motion carried overwhelmingly on a show of hands, also set out e ten-point straiegy for an alternative economic policy.

Mr. Evans drew sttention to the indignity and suffering caused by unemployment which, he said, had come ahout through Government dogma and vindictiveness.

Mr. Evans said redundancies had occurred widely in low wage industries such as in textiles where some workers bad even agreed to wage freezes with their employers.

He accused the Government of barefaced hypocrisy and said a trade union response of historic proportions was needed.

Mr. Terry Duffy, president of the AUEW, aeconding the motion, said trade unions bad the remedy in the last Labour government hut unfortunately lost it.

With the collapse of the *manufscturing* base went the hopes and aspirations of all trade unionists. He urged the TUC to help find jobs for young school-leavers.

Mr. Duffy said while there was no desire for a repetition of the earlier *battle with the Labour* government his union would be in "the vanguard if we need to fight."

The composite motion on puhlic expenditure was also carried overwhelmingly on a show of hands.

The motion moved by Mr. Geoffrey Drain, general secretary of the National and Local Government Officers' Associetion rejected "the Government's divisive economic strategy." He said it was based on continuing attacks on the puhlic sector, on cuts in public expenditure and on a partial dismantling of the welfare state.

The motion instructed the TUC leadership to implement a national strategy for concerted action to comhat cash limits. It called for opposition to cuts in local authority services, with support for anthorities which refused to implement cuts.

Mr. Drain warned that the Government was not just attacking town halls and hospitals but was also attacking indnstry because of the interdependence of the private and public sectors.

"*We must* get a *firm* understanding that we can never move forward with restrictions on public expenditure," he said.

Mr. Bill McCall, general secretary of the Institution of Professionsl Civil Servants, seconded the motion. He said there had heen a sustained, deliberate and merciless attempt by the Government to put across pnblic sector workers as bumhling, incompetent, wasteful, irrelevant and a burden on the private sector.

He urged recognition of the interdependence of the private and pnblic sectors. He accused the government of having followed ruthless and unprincipled policies in the civil service

Strategy for tackling unemployment and inflation

THE TUC's composite 13 motions on economic policy and unemployment proposed restoring full employment and reducing the rate of inflation by:

- Taking action to increase demand, inelnding strict monitoring of import-penetration backed by Government action to cut interest rates and to achieve a more competitive exchange rate;
- Reducing working hours and overtime with an immediate goal of the 35-hour week without loss of pay;
- Resisting closures and rednndancies, developing socially useful products and large-scale pnblic works;
- An extension of special employment measures and expansion in Government training and re-training
- Providing grester regional aid and subsidies;
- Reversing public expenditure cuts;
- An *industrial strategy* through the NEDC (National Economic Development Conncil) to improve industrial performance and job prospects, public ownership and a Enropean initiative to save industries under threat;
- Controlling the introdnction of new technology with minimum impact on employment levels and ensuring that sufficient funds are available to develop microelectronics and other new technologies;
- Restoring an effective prices commission;
- Taking *urgent* steps based on the report of the Brandt Commission to help underdeveloped countries and thus stabilise the world economy.

Electricians stand firm against visit to Poland

THE TUC failed to svoid an emharrassing clash with one of its largest constituent unions over its fraternal union visit next week to Poland.

TUC leaders had been trying for days to avoid a public dispute over the visit with three unions which had submitted emergency motions effectively criticising the trip. They had succeeded in securing the withdrawal of two motions proposed hy the clerical workers' union, APEX, and the Civil and Public Services Association.

The Electrical and Plumbing Ttrades Union, though, had refused to withdraw its motion calling for the TUC General Council to pledge its full support and solidarity for striking shipyard workers in Poland.

Congreas eventually rejected the motion after Mr. David Basnett, chairman of the TUC economic committee, had made a final puhlic appeal during yesterday's debate on the issue to Mr. Frank Chapple, EPTU General Secretary, to withdraw the motion.

Instead, delegates overwhelmingly supported the General Council's own emergency motion which gave approval to the visit.

Mr. Basnett said that Mr. Chapple'a motion could only he divisive and that congress should reject it. He urged delegates not to he divided on the issue and to "forget the hickering of the past two weeks."

He said: "No one in this congress, the movement, the country or in Poland itself now douhts our support for free trade uniona controlled hy their members, and not controlled by government, not controlled hy employers, not by political parties but democratically hy their members."

It was necessary to admit, though, that next week's delegation "may not cover all the ground we wonld like. If that happens, we would not hesitate to suggest that we seek a further visit at a future date."

It was the offer of this future visit which persuaded the other two unions to withdraw their motions. The CPSA motion had called for next week's visit to he cencelled.

Mr. Frank Chapple, however, sald he came to the rostrum more in sorrow than in anger. If the General Council had made a simple statement of support for the Polish strikers in its motion his would not have been necessary.

He asked whether the lack of such a statement in the General Council's motion meant that lt did not support the right to strike and the freedom of expression. Could Britain be the only country to fail to declare its support for the Polish strikers? Not to do so would be to disbonour the TUC's previously proud record of international trade union aupport.

Mr. Tudor Thomas, the Association of Professional, Executive, Clerical and Computer *Staff*, said people hsd been encouraged to accuse tbe TUC of double standards hecauae of the absence of any positive ststement. The General Council now bad to offer any possible practical assistance to the emerging Polish free trade unions.

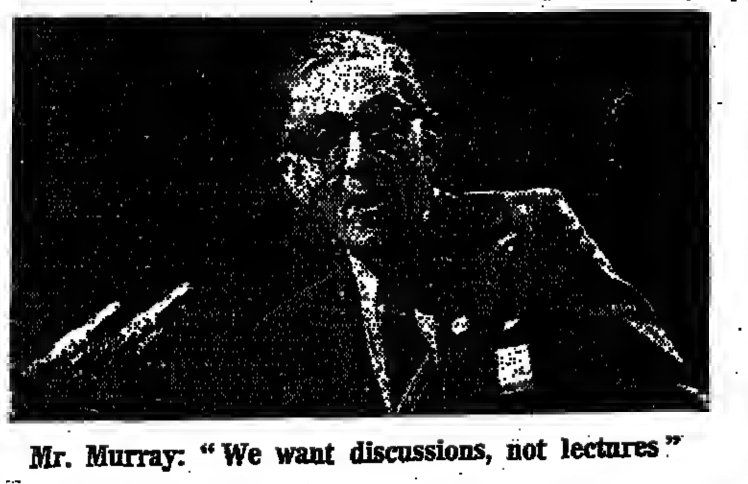
Mrs. Kate Losinska, CPSA president, said the Polish strike was a watershed in East-West relations, but that all that had heen achieved hy the Polish workers bad heen done without a word of support either from the British Government or from the general council of the TUC. Until now the silence had been deafening.

Sir John Boyd, general secretary of the Amalgamated Union of Engineering Workers, said the bosts of next week's TUC delegation were the very people whom the Polish workers had been rebelling against. The issue was too serions for the "cheap and shallow" points of ldeological debate. He suggested both emergency motions should be remitted.

Mr. Basnett rejected this, and even offered Mr. Chapple a place on next week's trip to voice his concern. Mr. Chepple, a leading and vocal anti-Communist, said to leughter that if Mr. Basnett could guarantee him a aefe return from Communist Polsnd he would gladly go.

Mr. Moss Evans: Tough attack on the Government's employment policy

Murray emphasise gap between unions and Tories



Mr. Murray: "We want discussions, not lectures"

MR. LEN MURRAY, General Secretary of the TUC, made clear that the General Council would consider talks with the Government, which would inclnde discussions on incomes, providing that the Government was interested in wide-ranging discussions on *all aspects of* the economy.

Mr. Murray was introducing the major debate on economic policy, unemployment, public expenditure, incomes policy versus free collective bargaining, and new technology.

He said the debates yesterday on whether to pursue a policy of support for a planned economy or for free collective bargaining would "not stop the General Council discussing with anybody anything et any time on the basis of the facts and of determined congresa policy and what our members make clear."

He emphasised, however, that "everything must be on the agenda, with hard evidence that the Government is interested in having e serious wide-ranging discussion."

Mr. Murray spelled out the agenda for discussions which the TUC was prepared to have with the Government. These covered the TUC's strategy for national recovery with a target for economic expansion to hring down unemployment and encourage investment, a lower exchange rate and interest rates, measures for industrial restructing, industrial training, and containing import penetration and a positive role for the public sector.

What was needed, he said, was to get Britain moving with agreement to talk about how to improve industrial performance, how to stop the import-penetration which was closing down company after company, how to get inflation down, and how to use existing investment better and use new investment productively. "But we mean discussion, not just getting arid lectures on Adam Smith and on the need to reduce pay settlements."

To applause from delegates be said: "I am sick and tired of being told that a good befty dose of wage restraint will put everything right."

Mr. Murray said the TUC was proud of its protest action on May 14 when trade unionists were not just demonstrating revolusion against policies that bad put 2m people on the dole but were asserting that there was an alternative.

But industrial regeneration, he said, could not wait for the next Labour government wben jobs were being lost. The immediate need was to persuade tha Government to change its course.

Congress was left in no doubt, however, that for the moment the gap between the TUC and the Government was as wide as ever and that this must augur ill for the prospect of early constructive talks with the Prime Minister.

It was a "lie," Mr. Murray said, that the 2m unemployed was the fault of the workers. It was the prodnct of a deliberate Government policy.

The Government was the "worst" he had known and was also the worst industrialists had known. "The worst," be said, "for cutting output, for cutting investment, for throwing people out of work."

Mr. Murray challenged the CBI to "come out of its political corner and face the consequences for its own members of the Government policies, and join us in getting the Government to think again." Their members, he said, hed learned the hard way that every job lost in the public sector meant a job lost in private industry—which meant cuts in profits and cuts in their investment.

Mr. Murray said: "We are calling for an increase in real demand in the economy, not a hell-for-leather dash for freedom which would make our troubles worse, but a steady increase in real purchasing power that will produce jobs and stimulate the investment that will help cut costs and bring down inflation."

Today's schedule

THIS MORNING's agenda includes wide-ranging discussion on national energy policy, including a dehate on coal imports. It is also expected to include debates on transport policy and on issues relating to the media.

During the afternoon delegates will discuss nuclear weapons and disarmament, policy on communications, entertainment and the Arts.

Call for referendum on EEC

CONGRESS CALLED for a referendum to be held on Britain's continued memhership of the EEC.

Tha TUC, though, refused to go so far as to urge the Government to begin negotiations and withdraw without consultation with the electorate.

Delegates decided by 5.6m vetea to 5.369m, a majority of 231,000, to support an amendment proposed by the Electrical and Plumbing Trades Union that the TUC commitment should be to a referendum on withdrawal rathar than to withdraw itself.

Mr. Eric Hammond, of the EPTU, said any change in Britain's membership should not be taken without a decision by the Britisb people. Mr. Bill Slrs, of the steel workers' union, said a referendum was essential for proper democracy.

Mr. Alan Sapper, of the Association of Cinematograph, Television and Allied Technicians, argued strongly against the electricians and the eteel workers, saying that Britain had lost enough "economic, political and aricultural hlood" through its membership of the EEC.

Mr. Doug Hoyle of the Associatiron of Scientific Technical and Managerial Staffs, proposing the original motion urging withdrawl, said a vote for the idea of a referendum was e vote *against* the lead that the ordinary people of the country were seeking.

People were fed-up with the Common Market. They wanted a strong lead from the trade union movement for withdrawal.

Supporting him, Mr. Ray Buckton, of the train drivers' union, ASLEF, said that as difficulties over epplies, lamh and joha hed shown, the EEC "hed done more to poison the attitude of the ordinary British worker against workers in Europe than anything alse in the past 10 years."

Congress also approved a demand for the re-ganeration of the UK's manufacturing industry by the imposition of selective import controls.

OTHER LABOUR NEWS

Oil platform yard may lose order

BY RAY PERMAN, SCOTTISH CORRESPONDENT

WORKERS at a Scottish oil coostruction yard have been told *that the steel platform they have* been building for more than a year will be towed out and completed elsewhere unless a dispute over safety is resolved quickly.

The 900 men at Ayrshire Marine Constructors' yard at Hunterston, on the Lower Clyde, will meet today to conaider a atatement issued by the management which gives conditions for ending the strike that began last week.

The yard, managed by Chicago Bridge Internatiooal, partner in Ayrshire Marine with the Glasgow-based Weir Group, is building the 97,000-tonnes steel jacket for the £300m Mzureen Field development heing undertaken by Phillips Petroleum.

Chicago Bridge's statement said: "Phillips Petroleum haa indicated vary firmly that the possibility of future orders depends entirely on improved industrial relations and increased productivity at the yard and has indicated its intention to transfer the preseot project elsewhere."

It said the men must return to work under present working agreements and abide hy disputes procedures. There would he no pay for lest working time.

Talks to try to resolve the dispute were held last weekend between the management and national officials of the unions involved at Brighton, where the TUC is in conference.

Phillips and Chicago Bridge hoth daclined to comment on the dispute yesterday.

Mr. Ronnie Munro, union convenor at Hunterston, attrihuted the poor industrial relations whlch the yard has experienced over the last year to the U.S. management. He claimed that managers had ignored consultative procedures.

The Maureen jacket and a deck being huilt in the North of Scotland were originally scheduled for tow-out to the field next year.

If the company carries out its threst it would not he the first time that a pletform had been removed from a yard. lo 1976, Shell towed two concrete platforms from the Ardyne Point yard in Scotland to be completed in Norway and earlier this year the British National Oil Corporation removed modules from the yard et Methil, Fife.

Tanker drivers' deal

MOBIL tanker drivers and depot workers have voted hy about seven to one to accept a new productivity deal to run from next month.

The deal gives drivers a maximum posaible wage, for 40 hours, of £147 linked to a potential 15 per cent improvement in efficiency.

The drivers' guaranteed wage, with normal *shift payments* will he £139. A small number of the 530 workers to whom the scheme applies will he entitled to potential earnings of £165 if productivity targets are met.

Other oil companies have been attempting to improva on existing efficiency schemes or introduce new ones—but with very mixed success.

Post Office engineers warn of action

By Gareth Griffiths

THE GOVERNMENT'S plans to strip the Post Office of much of its telecommunications monopoly thia autumn conld lead to industrial action being taken by members of the 126,000-strong Post Office Engineering Union.

Mr. Bryan Stanley, General Secretary of the POEU, writing in the union journal published today, says his members will use all available means, inclnding the possible use of industrial action, to resist the Government's proposals.

The nnion, which is the largest in teleeommunications side of the Post Office, is currently organising a campaign against the ending of the Post Office monopoly. Post Office Engineering Union members operate a range of aervices apart from telephones, including telex servicea and data transmlssion.

Assurance on ACAS sought

THE SOCIETY of Civil and Public Servants said yesterday that at a meeting with Mr. James Prior, *Employment* Secretary, scheduled for later this month it would be asking him to deny a report that the Advisory, Conciliation and Arbltration Service might be disbanded in the near future.

The Department of Employmeot and ACAS said yesterday that there was absolutely no foundation in the report.

British Shipbuilders offers strike inquiry

BRITISH SHIPBUILDERS yesterday offered to set up a joint union-management inquiry to look into the causes of a week-long dispute at Scott Lithgow's Kingston Glen yard which has balted work on s £60m emergency support vessel commissioned hy BP.

The dispute involves about 1,500 boilermakers and plumbers, members of the General and Municipal Workers' Union and Amalgamated Society of Boilermakers.

Discussions between the yards' shop stewards' committee and the Scott Lithgow management led to the offer of a joint working party looking into difficult or dangerous sections of the vessel.

A mass meeting of the shipyard workers is to be hald tomorrow. The shop stewards sald there would be no return to work until demands on apecial allowances for working on dangerous or difficult sections of the vessel had heen met.

British Sbiphuilders sald yesterday there hed heen a misunderstanding on the allowances, generally under £5 a week, and these would be paid as agreed. Tha special allowances system was a complicated one hut the corporation boped for a quick return to work.

Tha dispute started when men walked out after a confrontation with management over proposals to black work on some sections of the ship.

- At a mass meeting in Barrow yesterday, the 1,300 boilermakers at the Vickers warship yard voted to continue their unofficial strike.

The atrike, which is in its sixth week, has delayed work on the construction of two nuclaar submarines for the Royal Navy *and led to the postponement of* the launching of a Type 42 frigate.

The men walked out after the Vickers menagement refused to negotiate with them about a special productivity scheme. British Shipbuilders is resisting the claim because it argues that if it gives in at Barow other shipyards will want separate productivity schemes

Workers vote for pay cut

WORKERS at the Kenway domestic appliance factory in Weymouth, Dorset, part of the Thorn Domestic Appliance group, yesterday voted to accept a £10-a-week pay cut in an attempt to keep the factory open.

A meeting of the 260 workforce, all members of the Transport and General Workers' Union, voted by a large majority to accept the cut. Thorn plans to close the factory by mid-December because of falling orders.

Mrs. Peggy White, the TGWU convenor at tha plant, said she hoped the offer would be discussed by the Thorn Board and she intended to take the matter up with union officials at a district level.

She said the lack of work in the Weymouth area meant the workforce was prepared to *accept* a *cut of £10* a week from an average wage of about £60 a week.

The factory makes Kenwood Chef mixers and other food preparation equipment.

In the past, up to 40 per cent of production was exported but this has been hit by the strong pound. Thorn is expected to make a reply to the offer within the next few days.

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

● INSTRUMENTS

Intelligent balance at Oertling

ALTHOUGH WEIGHING — a rather basic industrial and laboratory process — has had much of the tedium and uncertainty taken out of it in recent times by incorporation of the microprocessor at the design stage, the new electronic approaches have presented new challenges for the manufacturer.

Claiming to be the only British company offering serious competition in the force balance field to market leaders Mettler in Switzerland and Sartorius in Germany, Oertling of Orpington in Kent has recently spent nearly £0.5m in new building and production equipment in order to bring modern designs to the marketplace.

Most recent result is the HB63, a compact bench-top unit which is being made available in various forms to suit specific types of work. All have dual ranges: 600 grams capacity with 0.01 g readability and 60 g with 0.001 g readability. Use of a microprocessor means that weight readings can be stored as they are obtained and recalled later or used to give a read-out of average and standard deviation.

Electronic tare

The balances also have electronic tare so that, whatever is on the instrument's pan, depression of a button will return the display to zero. This not only allows the weight of a container to be discounted but is also useful in laboratory mixing and water loss (and many other) studies.

Oertling is also aiming a model at the food industry where, due to the average weight legislation now in force, average contents of cans and packs, and the standard deviation (a measure of variation from can to can) have to be recorded and be available for official inspection. An associated ticket roll printer produces the necessary figures from a number of cans placed in sequence on the pan. With the addition for example, of the Hewlett Packard 9815A calculator, data of this kind concerning 100 products from 50 different production outputs can be recorded and data produced.

A version of the instrument is also available which allows similar techniques to be used for counting. From a suitably large sample of say, machine screws, the HB63 works out the weight of one to high accuracy, enabling it subsequently to indicate how many items are contained in a loaded pan.

The company is even producing a model of this balance for the precious stones industry—the calibration is in metric carats.

Environment

At Oertling's Orpington, Kent, plant, a good deal of effort has been put into efficient production, both mechanical and electrical, and also into the provision of a good working environment. For example, over £150,000 has been spent on three numerically controlled machine tools which will produce precision metal balance chassis parts with little human intervention. There is also a considerable electronics design section where, for example, a suitable accurate analogue to digital converter has been designed to meet the one in 1m resolution needed for the instruments; no suitable A to D converter could be purchased commercially.

Of particular interest, however, is the technique used for assembly of the instruments by the predominantly female staff. The customary conception in which the assembly is passed down a line from one operator to the next for successive operations to be performed has been abandoned, it being perceived that job satisfaction left something to be desired.

Instead, Oertling has employed a system it calls "workaround" in which the assemblies remain stationary while the girls, together with trays of components on a "railway," move from position to position completing essentially one assembly operation on each balance, but able to change to any other as needed. The operators are trained to undertake any of the tasks so that sickness and holidays present no problems and, perhaps more to the point, the girls are frequently changing position within the group and can talk to a variety of people while working.

The company believes the system has much to recommend it in terms of product quality—there are no "Friday" precision balances made at the Orpington plant.

GEOFFREY CHARLISH

● POWER

Stabilises voltages

A RANGE of voltage stabilisers for computers and other office equipment at very competitive prices is now on offer from Galatrek Electronics.

The company's products have so impressed the Department of Industry and the National Westminster Bank, that they have received substantial grants and loans for research and development.

The Department of Industry gave a grant of £18,000 against R and D costs totalling £75,000. The bank gave a loan of £50,000 over two years on very good terms and took an option on 30 per cent of the company's share capital.

According to Ron Koffier, the sales director, the company's products are up to two-thirds cheaper than the competition because of novel manufacturing techniques. The products were also designed using a computer with the help of a group of lecturers at Manchester University.

Galatrek's AK1000 costs, for example, £147. It provides constant voltages free from mains transients which can upset computers and other delicate electronic equipment. It provides one cycle back-up—in other words power failure lasting only one cycle will not affect the instrument. The supply is stabilised to within one per cent.

Mr. A. E. Atkinson, the technical director, explained that the use of off-the-shelf laminates instead of custom-built ones had cut the cost dramatically.

"Most companies are tending to go for very sophisticated designs using single core stampings which means the stabiliser needs complicated fine tuning. We have returned to a more old fashioned approach using standard core stampings which are cheaper and which do not need fine tuning."

Galatrek is on 0492 640311.

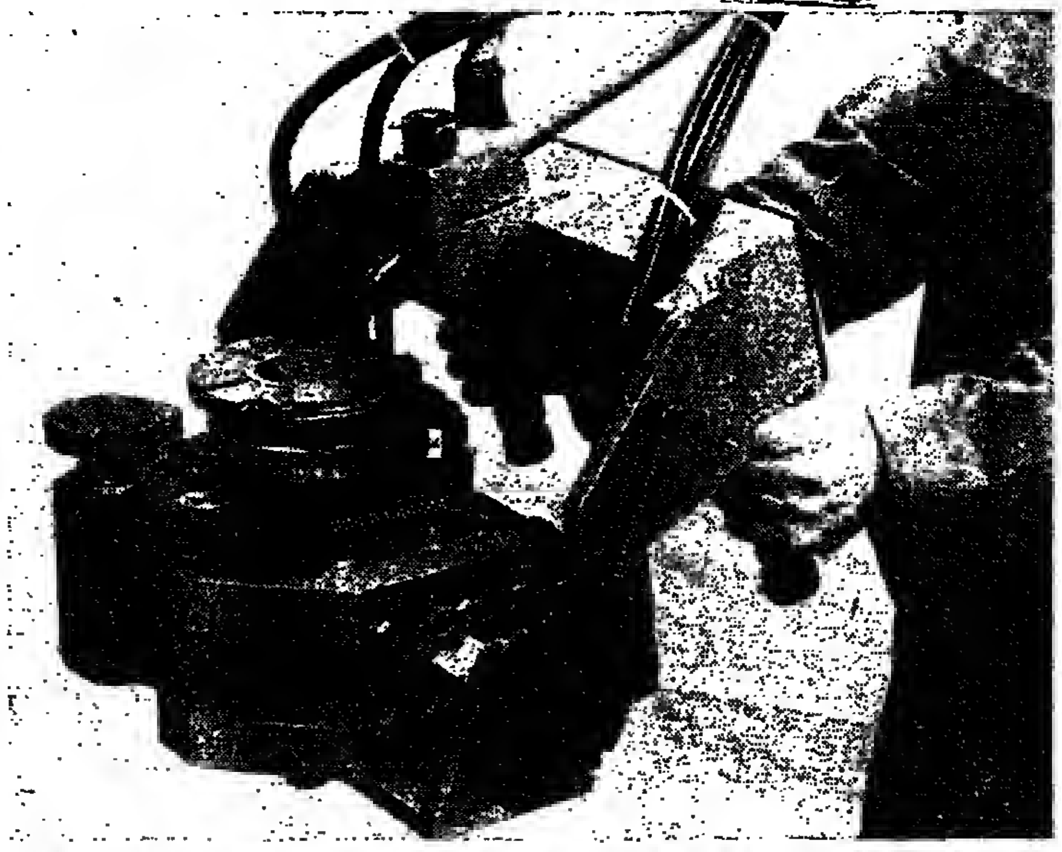
● WELDING

Holds it in place

A NEW range of welding rotators and positioning equipment designed to increase productivity and improve weld quality, has been introduced by Rota-Weld of Rushden, Northants, part of the McCorquodale Group.

The rotators are motorised roller beds with infinitely variable speeds, enabling the welder to retain complete control of the workpiece when turning, and to obtain the best working position.

Depending upon the number of idlers and the number and size of the electric motors, the load carrying capacity varies from ½ tonne to over 120 tonnes.



This hydraulically-operated portable equipment has been designed by S. P. Marking Products of Chard, Somerset (046 06 3747), for making identification marks or codes on steel. Originally intended for the motoring industry, it is now thought that it might have applications elsewhere, particularly where it is impractical to present the component to be marked by a conventional stationary machine. The latest unit is driven by a small power pack which may be carried in the factory roof structure above the machine. Cassettes, typeholders, individual pieces of type or logos can be easily changed, it is stated, and marking pressures can be varied according to requirements. This machine will mark up to twenty 7mm high characters in steel.

● AIR COMPRESSORS

CompAir bids for motor trade

A RANGE of lightweight Italian compressors is the key to a new initiative in the automotive services business by CompAir, the compressed air equipment specialists.

The company believes the market for compressors in the motor trade to be worth around £80m annually. A present CompAir, market leaders in industrial compressed air equipment in the UK, holds only 8.12 per cent of the automotive market.

Mr. Mervyn Wallen, general manager of a new division CompAir has established to market the new compressors said this week: "I intend to make that 30 per cent in three years."

The compressors are made by the Italian company Ceccetto, and are marketed by CompAir through a reciprocal agreement which gives CompAir access to Italian markets for its industrial compressors and compressed air equipment.

Mr. Wallen said: "The balance of trade is well and truly in our favour. By selling these Italian compressors we can get into the market quickly without the investment needed to create our own range of machines specifically designed for the automotive market. All we will have will be the marketing costs."

Chief competition to the new company CompAir Autopower is the long established range of compressors from Ingersoll Rand.

Mr. Wallen believes the Ceccetto range to be superior because they are made of light alloys giving good heat dissipation and are easy to service.

He was scornful of cheap compressors: "The market is inundated with low quality, cheap products sold without maintenance and without spares."

He emphasised the comprehensiveness of CompAir's service arrangements through the UK.

The compressors cost from £150 to £1,250 in powers ranging from ½ horsepower to 15 horsepower. According to CompAir they are suitable for all sizes of business from the one-man workshop to the large full service, franchised garage.

They can be used for specific operations such as spraying or for general purpose useage including tyre inflation, powering hand tools and greasing.

The compressors feature a simple split crank case design and valve replacement is a two-minute job.

The new organisation is based in Watford on Watford 33744.

Correction

THE GRINDING wheel referred to on this page on September 2 (Saves sharpening time) is made by Norton Abrasives of Welwyn Garden City, Herts, not Arthur Martin as was stated.

● ELECTRONICS

Aiwa opens Welsh plant

JAPANESE high fidelity equipment maker Aiwa has formally opened a 50,000 square feet manufacturing unit at Newport in South Wales which is expected to employ 100 people locally within a year or two, producing 2,000 units per month of which at least half will go into Europe.

The plant, in which about £0.5m has been invested, is only the second to be opened outside Japan by the company, the other being in Singapore.

Although for the time being products will continue to be designed in Japan, it is planned that the plant will eventually assume an independent role, from design to production. The company also plans to make the fullest possible use of electronic components made in the UK.

It is understood that Aiwa made some 20 studies of European sites for the new plant and settled for South Wales because of the assistance offered and the good sea and road communications.

UK managing director Mr. Stephen Chorley also believes that, with a growing concentration of similar companies in the area there is "a tremendous opportunity here for the British components industry." The content of the UK-made components in the Aiwa products is expected to rise to about 45 per cent "in the near future."

Starting point for the new plant is 50 employees and production is expected to reach about 80 sets of the company's miniaturised audio equipments per month. But Mr. Y. Sambe, speaking at yesterday's opening ceremony, said that Aiwa looked forward to expansion and is forecasting an annual output worth over £3m within three years. There is clearly enough space for expansion—the factory is situated on a 10-acre site.

Aiwa has had the important advantage of being able to plan the plant "from scratch" without a history of existing building, equipment or labour force.

These machines are being used to insert not only the usual resistors and diodes which lie flat on the board, their axial end leads bent through 90 degrees for insertion, but also components such as large capacitors which stand vertically off the board. Insertion speeds of 0.6 second per component are being achieved.

● MATERIALS

Lessens the risk of fire

A MODIFIED plastics material incorporating a special mixture of carbon black and designed to inhibit the building up of static electricity has been developed by Cabot Plastics, Silk House, Park Green, Macclesfield SK11 7NA (0625 613556).

Static electricity building up and discharging on plastic surfaces is one of the greatest single causes of fire in the polymer industry, and the new material, Cabalec 3140, is intended for companies that use plastics to package inflammable or explosive products or use plastics pipes to carry oil.

The carbon black additive, which is a good conductor of electricity, reduces the high resistivity of ordinary plastic materials. Cabalec 3140 is said to require no special moulding equipment and to be easily worked with conventional machinery at normal polypropylene processing temperatures.

Special compounds have been designed for use on standard film extrusion, injection moulding and pipe and profile extrusion equipment, and it is claimed that the material can be directly substituted in many applications where a polyolefine thermoplastic is used.

Packaging made from Cabalec 3140 and some of its possible applications will be exhibited at the Salon de l'Emballage in Paris from November 17.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

Pensions Management

Our self-administered contracted-in pension schemes cover some 6500 members and are administered by a small professional team located at Newark, Nottinghamshire. Owing to the expansion of these schemes we are seeking someone to assist in their running. Suitable applicants will be those who will be strong candidates to succeed the Group Pensions Manager when he retires in 1983.

Applicants must have a wide experience of pension matters, salary administration and employee benefits. They must be fully conversant with SFO, OPB and DHSS practice and be familiar with computerised systems and procedures.

A relevant professional qualification, eg APMI or ACIS, would be an asset.

We offer an attractive *salary and other employee benefits. Realistic relocation* expenses will be paid where necessary.

Please apply in writing, with a detailed resumé, to
R F Rawlingson, Group Pensions Manager,
Ransome Hoffmann Pollard Limited, P O Box 18, Newark, Notts.

rhp

Ransome Hoffmann Pollard Limited

Department of the Environment

Director of Finance and Administration

Merseyside Urban Development Corporation.

The Government intends to set up an Urban Development Corporation in Merseyside. Legislation to provide for this is now before Parliament.

The task of this U.D.C. will be to spearhead the regeneration of the Merseyside dockland areas. Policy will be to secure private investment where possible.

The Corporation will operate as a streamlined executive body with a small nucleus of high calibre staff. It will 'buy-in' architectural, quantity surveying, engineering, legal and other services from the private sector. It will collaborate with Merseyside local authorities.

A Director of Finance and Administration is required as one of the Chief Officers in the management team responsible to the Chief Executive for planning, controlling and administering the activities of the Corporation.

Specific responsibilities: all accounting and financial services, including planning, forecasting and budgeting; preparation of management and statutory accounts; project appraisal; internal audit; liaison with Government Departments and Local Authorities and negotiation with financial institutions for introduction of private finance.

Administration responsibilities include personnel administration and control of premises, equipment and supporting services.

This position represents one of the most stimulating, demanding and important jobs in the public service. It is open to both male and female candidates. Candidates should be fully qualified and experienced in the relevant disciplines and should be able to demonstrate the necessary initiative and staying power.

Salary will be about £20,000 per annum. The position is pensionable.

Application forms, returnable no later than 29th September 1980, can be obtained by writing and quoting reference FT/H.1003 to the Management Consultants retained to advise upon this appointment:—

Handy Associates International
148 Buckingham Palace Road, London SW1W 9TR.

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Group Chief Accountant

County Durham, £10-11,000 + car

Located near Durham City, this £10 million turnover public company trades from a strong financial base, manufacturing quality products of international repute. Reporting to the Financial Director and with a small able staff, the person appointed will compile, report on and interpret periodic management and accounting information, giving fioancial advice to the Board to facilitate effective control and development of the business. Some foreign travel is envisaged. Qualified candidates, aged 30+, must offer senior financial management experience gained in an autonomous industrial or commerciel company which sells internationally. The excellent package includas relocation as appropriate.

G.T. Wolker, Ref: 42300/FT. Male or female candidates should telephone in confideoce for a Personal History Form to:
NEWCASTLE: 0632-27455,
4 Mosley Street, Newcastle-upon-Tyne, NE1 1DE.

PRINCIPAL BUSINESS ADVISER

—FINANCE SPECIALIST

REF M59

Salary £9,816 to £10,779 pa (under review)

The Council's Employment Promotion Office is extending its advisory services to industry and commerce—especially small firms—as part of the Government's Inner City Partnership Programme to maintain and develop local employment opportunities. The Council therefore wish to appoint an expert in business finance to work with small firms and co-operative enterprises in the Borough assisting with the development of loan proposals and negotiations with appropriate financial institutions.
The successful candidate will be able to demonstrate:—

—Experience in the presentation and appraisal of business finance requirements.
—An appreciation of the problems facing small firms and start ups.
—A thorough knowledge of, and good contacts with, a wide range of financial institutions.

No specific qualifications or background are sought and the vacancy may be equally appropriate to a younger candidate seeking to broaden his experience, or an older candidate who may already have completed a career in business finance.

BUSINESS ADVISER

REF M60

Salary £7,362 to £8,448 pa (under review)

We are also looking for someone to specialise in promoting the grants and loans available to business through the Inner Urban Area Act, 1978. The job will involve receiving and processing applications, co-ordinating consultations within the Council and preparing reports for the Inner Urban Areas Act Panel. You would be responsible for co-ordinating the provision of information of available premises and sites in conjunction with the Borough Valuer and the Directorate of Town Planning. This is primarily an administrative job but as the availability of financial assistance is related closely to industrial and commercial sites and buildings a background knowledge of valuation or town planning would be useful.

Because of the nature of the funding of these posts the successful applicants will be employed on contracts which will expire on the 31 March, 1983.

Further information and application forms available from:

***Senior Personnel Officer, Directorate of Management* Services, London Borough of Lambeth, 18 Brixton Hill, London SW2. Telephone: 01-274 7722 extension 3008/9.**

Closing date 18th September, 1980.

As part of Lambeth's Equal Opportunities Policy, applications are welcome from people regardless of disability, marital status, race or sex.

LAMBETH

CHARTERED ACCOUNTANT AS PRACTICE ADVISER

The Institute of Chartered Accountants in England and Wales has recently launched a Practice Advisory Service for accountancy firms seeking to enhance their efficiency and profitability. Response to the scheme has been so encouraging that the Institute now wishes to appoint a chartered accountant as Practice Adviser to assist the scheme's Development Executive.

The Practice Adviser will visit the offices of practising members, assist in identifying problem areas and suggest practical solutions to them. He/she will advise on matters such as fee collection, cherging rates, quality control and practice organisation.

The successful candidate will have en interest in practice management end an up-to-date knowledge of organisational methods end technical developments. The position will be best suited to e good communicator who is able to relate well to practitioners of varying backgrounds end experience.

Prospects for future career development either within the Service as its futuce Director or in other parts of the Institute's Technical Directorate are very good. The experience gained will also provide an excellent foundation for those who may wish to return later to public practice.

Salary is subject to negotiation, but probably not less than £11,000 per ennum.

Please write in confidence, quoting ref: PAS, to:
R G Willott Esq., Technical Director
The Institute of Chartered Accountants in Englend and Wales
PO Box 433, Chartered Accountants' Hall
Moorgate Place, London EC2P 2BJ

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

It could be your most profitable step in developing a successful career.

EMA

FINANCIAL CONTROLLER

Near Bristol **c£11,000 + car**

Taking full responsibility for the finence function, the Controller will report to the Managing Director and be e member of the company's top management team. He or she will supervise a small department and rationalise the existing systems, perhaps by means of an in-house computer. The emphasis will be on business control and management guidance.

A recently acquired subsidiary of e major US company, our client manufactures products for industrial application. Currently turning over £4 million, the company was ecquired to be a vehicle for growth. Applicants, aged 28-35, must be qualified accountants with industrial experience ideally including staff management end systems development. Please telephone or write to David Hogg FCA quoting reference I/2014.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

LOCTITE

Chief Accountant

c.£11,500 + Executive car + bonus + benefits.–Welwyn Garden City

Loctite UK forms part of the international Loctite organisation, world leaders in adhesive technology.

The Company seeks a Chief Accountant to be based at Welwyn Garden City, reporting to the Financial Controller, and responsible for the total accounting function, including financial management and cost accounting.

Candidates, probably in their late 20's to 30's, should be qualified accountants (preferably chartered) with a solid, comprehensive accounting background and a minimum of two years' prior experience in a similar role within a manufacturing/marketing environment. They should be capable of running a busy accounts function to tight time schedules, be familiar with US reporting requirements, have experience of handling banking transactions and be capable of contributing to the continued development of computerised systems.

In addition to a basic salary of around £11,500, the job offers an attractive bonus element, a 2.3 litre car and a range of benefits including pension scheme and free life assurance and PPP cover. Assistance with relocation expenses is available if appropriate.

Please apply in writing with a detailed CV, including current salary for the personal attention of: Ron Blastland, ACMA, Financial Controller, Loctite UK, Watchmead, Welwyn Garden City, Herts.

Open to men and women.

Loctite UK

An Outstanding Opportunity in

Non-Marine Reinsurance

Our Client, a City based Lloyd's Broker, having established a substantial and fast growing Marine Portfolio, now intends to devote major resources to developing an equally impressive Non-Marine Reinsurance business. To accomplish this objective, it now proposes to eppoint a

Divisional Chief Executive (Non-Marine) £25,000+

This very senior appointment will be of *interest to executives who* have already established an outstanding reputation in Non-Merine Reinsurance, having proved their ability to build up a successful and profitable portfolio, and who would welcome the opportunity to set up and develop a new Division within the Group. The new Divisional Chief Executive will be given the freedom and beck up to achieve this objective and the rewards will be commensurate with the contribution to the Division's future success.

For this most demanding appointment, a total remuneration package is negotieble at not less than £25,000 per annum, comprising a SUBSTANTIAL BASIC SALARY and PROFIT RELATED COMMISSION. Equity Participation will be a further major attraction. Other benefits include a Company Car, free Private Patients Plan and a contributory Superannuation Scheme.

Applications should be made, in the strictest confidence, to R. W. Murphy, Hughes Ovens & Hewitt Ltd., Executive Recruitment Consultants, 6-8 Old Bond Street, London, W.1., quoting Reference Number NR128. No information will be passed to our Client without the applicant's prior permission.

HOH
HUGHES OVENS & HEWITT

Manager–Eurobond Sales

£neg + Car + Substantial Benefits Package

Our client is a leading international bank, based in the City. It has ambitious but carefully structured plans to expand its world-wide business and has retained us to recruit a Manager – Eurobond Sales.

You will probably be aged around 30 and should have experience in both primary and secondary markets. It is likely that you are currently working in an active Eurobond department, but are looking for the opportunity to develop an aggressive, well-financed sales operation. This will obviously involve some international travel.

The remuneration package consists of a very competitive five-figure salary, plus car, non-contributory pension, a comprehensive subsidised property loan scheme and various other benefits.

Please send a detailed c.v., including home telephone number, in strict confidence to Peter Wilson, F.C.A., at Management Appointments Limited (Recruitment Consultants), Albemarle House, 1 Albemarle Street, London W.1. Tel: 01-499 4879.

Management Appointments Limited

THAMES POLYTECHNIC
School of Business Administration

LECTURER II IN ACCOUNTING AND FINANCE

Candidates should have *either* a good first and/or higher Accounting degree, with an interest in pursuing research, or a professional qualification in Accounting with commercial experience in a financial institution, or equivalent. Consultancy and research are encouraged. For informal discussion please contact Ms Frances Huggett, Head of Division of Accountancy, Finance and Law.

Salary scale: £6,621-£10,311 Inclusive.

Further particulars and application form from
The Staffing Officer
Thames Polytechnic
Wellington Street, *London* SE18 6PF
to be returned by 26 Sept. 1980.

STOCKBROKERS

We are a medium-sized firm of stockbrokers, based in the City, with a new air-conditioned office. We are looking for an enterprising and energetic person with Stock Exchange experience to look after our busy cashiers/accounts department. Salary is negotiable with the usual fringe benefits.

Please write to
Box A.7284, Financial Times, 10 Cannon Street, EC4P 4BY.

International Controller

Belgium

A leading international company in the mechanical/automotive industry, rapidly expaoding in Europe, seeks a controller to be based in Antwerp.

Ha will report directly to the Sales Director Europe with the followiog major responsibilities:

—manage and monitor an integrated financial reporting system;
—financial reporting and evaluation of profit performance;
—liaison with external auditors and corporate financial executives;
—supervision of the chief accountant and staff;
—treasury, including credit and collection;
—close co-ordination with pleot controller on pricing, costing and distribution;
—financial analysis, feasibility studies and economic reports;
—salary surveys, remuneration and benefits programmes.

Candidates should have the following profile:

—age 30-35;
—a professional accounting qualification;
—related financial experience in Europe;
—speak and write fluent English, plus French, with Dutch, Italian and Spanish being helpful.

In addition to technical competence, candidates should have a primary desire for e satisfying and self-fulfilling position. The selected candidate will be active, participative, imaginative and will possess the intellectual capacity and ability to work effectively in an international environment.

The salary will ba commensurate with the importance of this position.

If you are interested in this post, please send your resumé under ref. 830-2 to:

E&W

William Greenway, Partner
Ernst & Whinney
523 Avenue Louise bte 30
B-1050 Brussels, Belgium

هكذا من الأصل

All applications will be treated in strictest confidence.

Financial director

Southern England, c£20,000

C&L

For a diversified division of a quoted British company. The division is at the forefront of engineering technology and among the leaders in its field.

Responsibility is to the Divisional Chief Executive for managing the financial function. Additionally you will be expected to make a major contribution in the formulation of business strategies and in improving overall operational effectiveness.

You must be a commercially oriented qualified accountant with several years' experience of financial planning and control in the engineering industry.

Résumés including a daytime telephone number to E J Robins, Executive Selection Division, Ref. R437.

Coopers &Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Assistant Divisional Controller

Central London, c.£11,500+car

* Tha Division, part of a major U.K. public group, has 80% of its turnover overseas, particularly in the U.S.A. and Continental Europe.
* The work will include involvement in all aspects of divisional accounting and financial management-unit accounting, taxation, management planning and reporting, operational reviews and special assignments.
* Candidates will be qualified, probably in their thirties, with a good range of industrial exposure including, ideally, experience in engineering contracting and/or an international environment.
* Some international travel will be involved and the remuneration package includes some ettractive benefits.

J.A.T. Bowers, Ref: 21204/FT. Male or female candidates should telephona in confidence for a Personal History Form to:
LONDON: 01-734 6852. *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Finance Director

Over £20,000 p.a. • London, W.

This appointment will report to the Chief Executive of the newly formed Hotels and Catering Division of the Grand Metropolitan Group. It will carry a place on the Division's Policy Committee.

Annual sales approach £500 millions from some 90 hotels at home and abroad, over 250 Berni Inns and Steakhouses and a diverse complex of catering businesses. The Division employs 40,000.

Supported by an established finance organisation within the Division's trading companies, the main tasks will be to advise top management upon all aspects of finance, to contribute to policy and specific programmes for development in the U.K. and overseas and to exercise disciplined controls over the Division's assets and finances.

Candidates, male or female, must be Chartered Accountants and preferably graduates, ideally aged 40-47. They must have experience of international business transactions in Europe and/or North America and of contributing to the identification and pursuance of large-scale developments overseas. Experience in one of the leisure or service industries will be helpful.

Please write in confidence with brief details showing how these requirements are met, to H. C. Holmes, Bull Holmes (Management) Ltd., 45 Albemarle Street, London W1X 3FE.

Bull Holmes
PERSONNEL ADVISERS

Financial Controller/Company Secretary

EAST MIDLANDS — BOARD POTENTIAL — £ 9000 + CAR

This senior appointment is a new one in a highly successful small engineering group currently going through a phase of significant expansion.

The position is a demanding one and the appointed candidate will be responsible for the control, review and development of the accounts function, and will contribute to commercial thinking at top level; achievements could lead to a Board appointment.

Candidates, preferably aged 35-45, must be qualified accountants with substantial accounts experience including work with computers, management responsibility, and a track record in practical financial control.

In addition to salary and company car, the Company also offer a pension plus relocation expenses for anyone requiring to move to this very attractive area of rural Leicestershire.

Please write with full details of qualifications and experience to:

MESSRS. PILLEY & FLORSHAM
Cert. Accnts., 29 Warwick Road, Coventry CV1 2ES

Top Executives

If you are finding your talents wasted – we can help.

In the serious business of marketing yourself MINSTER EXECUTIVE provides the professional, individual and comprehensive career counselling service that has achieved outstanding results.

After evaluating your full potential we direct you through every stage of the 'job search', furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed.

As professionals we have an acknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

Merchant Bank Australia

Our dient, one of the largest merchont bonks in Australio, ond assoöated with a leading London bonk, has two executive vocancies in their Melbaume office. One will be cancemed with

* Morketing and developing the Corparote Loan portfalio,

and the other with

* Foreign Currency hedging consultoncy ond reloted services.

Successful condidates will have appropriote merchant ar decring bank experience and will probably be qualified in law or accountoncy, but this will not substitute for a first doss track record. They will be in their late 20s or early 30s.

Initiol remuneration of $A 35,000 induöing cor allowance ond assistance with relocation expenses. More importont ore the excellent prospects for coreer development within a profitable and growing company.

Telephone or write for further detoils ond for *personal history form quoting ref.* 1299 (Marketing) or 1300 (Foreign Currency) to:

bhf

Duncan Wood, Binder Hamlyn Fry & Co.,
Management Consultants,
227/228 Strand,
London WC2R 1BZ.
Telephone: 01-353 5171

Financial Controller

(Director designate)

This company is the British manufacturing subsidiary of *Cooper Laboratories*, the *American* group of health product companies with subsidiaries throughout the world.

We are one of the largest manufacturers of contact lenses in the world. Annual turnover is over *£4 million currently, and rising.* Applicants should therefore have substantial experience of standard costing in a manufacturing environment. Knowledge of American accounting procedures would be an advantage. They should also be qualified to ACMA, ACCA or CA level.

The person appointed will be responsible for the development of the company's financial and accounting procedures and will report directly to the Managing Director. A salary of around £11,000 is envisaged, together with a company car and fringe benefits customary at this level.

All applications will be treated in confidence and should be accompanied by a career summary. They should be addressed to:

M. J. Sealey,
Managing Director,
CooperVision (UK) Limited,
Unit 18, Solent Industrial Estate,
Hedge End,
Southampton SO3 2FY

CooperVision

ANALYST/DEALER

is required,

to assist in the management of the investment of the Society's pension fund which now exceeds £50m.

Management of the Society's investments and those of the pension fund is undertaken by a small investment team at the Society's Head Office in Halifax.

Candidates should have experience in equity analysis and investment with either a broker or financial institution and preferably should have an economic, accountancy or actuarial qualification.

The Society offers good working conditions and a wide range of staff benefits and the salary negotiated will depend upon age and experience.

Replies should be marked confidential and be addressed to:

Assistant General Manager (Staff),
HALIFAX BUILDING SOCIETY,
P.O. Box 60, Halifax, West Yorkshire HX1 2RG

HALIFAX
BUILDING SOCIETY

This advertisement is featured on page 599018 of Prestel

Divisional Accountant

Crawley — to £12,000 + car

For a profitable and expanding division which designs, produces and sells high technology equipment.

Reportiog to the managing director, the appointee will be responsible for the whole financial function, with a staff of 30.

Applicants must be qualified accountants, CA, CMA, or CCA, preferably 28-40, with appropriate experience, which will iocfude a knowledge of EDP. They must have the energy and ability to make a major contribution to the business, and the quality for potential membership of the board.

For an application form telephooe 01-236 3561 (24 hour service) or write to J.H. Cobb, Executive Selection Division, quotiog reference 2447/L.

Peat, Marwick, Mitchell & Co.

165 QUEEN VICTORIA STREET, BLACKFRIARS, LONDON, EC4V 3PD.

NPA

EXPORT FINANCE

MAJOR INTERNATIONAL BANK

Our Client is a prominent and substantial International Bank long established in the U.K. Growing demand and general expansion have created the need for an Export Finance professional who will act essentially as the bank's point of reference for all U.K. export financing activity.

Ideal candidates, preferably in the age range 28-35 years, will have acquired an all-round expertise in all facets of export finance, probably in a merchant or international banking environment or alternatively in a financial institution or corporation. The position will include contact at senior management level and qualities of self-motivation and maturity are regarded as essential.

The demands and responsibilities of this key appointment will be matched by a highly competitive salary and attractive fringe benefits, and there exists considerable scope for advancement within the organisation.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside London EC2 Telephone 01 248 3812/3/4/5

The Bank of Bermuda Limited

Investment Account Administrators

Bermuda

The Bank of Bermuda requires two qualified Investment Account Administrators to join its Investment Department. The successful candidates will be responsible for the administration of individual trust, agency or discretionary investment accounts managed by the Department.

Persons qualified for these positions will generally possess professional qualifications, supervisory ability and at least 3 years practical experience in the international investment field, preferably in North American, European and Eurodollar markets and with a stockbroker or merchant banker. Ability to communicate both verbally and in written form is essential.

Attractive salaries commensurate with experience and initial two year contracts will be offered for the above positions. Salaries are tax free in Bermuda. The Bank also provides an extensive range of benefits including major medical coverage.

Interviews will be held in London on September 29 and 30, 1980. Qualified persons should submit resume of experience, educational qualifications, personal details and salary history, together with telephone numbers where they can be contacted, to:—

The London Representative,
The Bank of Bermuda Limited,
Representativa Office, Grocers' Hall,
Princes Street, London EC2R 8AQ.

THE BANK OF BERMUDA LIMITED

CHIEF DEALER

NASSAU, BAHAMAS

Chief foreign exchange and Eurocurrency deposit dealer required by a Bahamian bank forming part of a multinaöonal banking group centred in Paris. This senior specialist appointment will involve responsibility for the smooth operation of all existiog and projected money market functions. The Chief Dealer's responsibilities will include the daily supervision of an active dealiog room, where upwards of ten curreocies are regularly traded. In addiöon the position will include responsibility for the development of oew areas of business and the supervision of the contioued professional development of the existing team of deposit and foreign exchange dealers.

Salary, which is negoöable, will be commensurate with experience and qualifications. Although age is not a limiting factor, the ideal candidate will be in his early 30's and will bave had a minimum of five years' Eurocurrency deposit and foreign exchange dealing experience while acting for a major banking organization in a major money centre. The successful candidate will almost certainly be a member of the Internaöonal Forex Associaöon. Previous general banking experieoce would be a distinct advantage, as would knowledge of a second major language.

Qualified candidates are invited to submit written résumés of educational background, qualifications and experience (to include details of actual currency trading exposure) to the **Personnel Manager, SFE Banking Corporation Limited, c/o London Representative Office, 32 Cornhill, London EC3V 3PH.**

SFE

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

A few of our more urgent current assignments:—

VICE PRESIDENT SHIPPING	to £25,000
A.V.P. SHIPPING	c £15,000
CORPORATE FINANCE (Mergers)	to £12,000
HEAD OF SYNDICATIONS (Overseas)	Negotiable
CREDIT ANALYST (German Speaking)	Negotiable
PROJECT FINANCE	Negotiable
CHIEF DEALER	c £17,000
SENIOR FX DEALER (Prominent European Bank)	£10-15,000
KUWAIT — SENIOR FX/DEPOSIT DEALERS	(High tax-free salary + comprehensive benefits)
FRN TRADER	to £18,000
EUROBOND MARKETING	c £15,000
INVESTMENT PORTFOLIO MANAGERS	c £12,000
BOND INVESTMENT ADVISER (Experienced—computer analysis techniques)	Negotiable
AUDIT (No Travel)	to £9,000
AUDIT (Young Graduate Bankers)	£7-9,000

For further details of these and other opportunities please contact: Ken Anderson or Richard Meredith.

First floor – entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Gilts specialist

Stockbroking

Our client, a leading City firm of stockbrokers, is seeking an outstanding individual to join its small but established team of gilt specialists. The firm is committed to growth and has recently expanded its institutional activities in other market sectors.

The opening should be of interest to partners or senior executives who already enjoy a first class reputation in gilts but who see limited scope for financial growth and/or promotion in their present positions.

Terms are entirely flexible and will reflect the calibre of the individual.

Please telephone or write, in strictest confidence, to John Cameron, Executive Selection Division, Ref. C270.

Coopers &Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ telephone 01-606 4040

Treasury

Our Netherlands treasury based in Amsterdam has expanded considerably in the last year in line with increasing demand for Citibanks foreign exchange and money market services from both domestic and international counterparts.

To our existing, successful, young, multi-national team we wish to add further top quality, experienced professionels. In particular we are looking for candidates who:

have accepted qualifications necessary to be 'HEAD OF THE INTERBANK FOREIGN EXCHANGE SECTION' probably dealing DLR/DM supervising other traders active in DLR/DFL, DLR/STG etc.

or

have the proven profits record and maturity suitable for a SENIOR DEALER in the INTERBANK FOREIGN EXCHANGE SECTION.

or

have the allround technical competence to assume full responsibility for all FORWARD DEALING operating closely with our domestic and euro currency money market staff.

As these are key slots in our Dutch branch which in addition offer excellent 'visibility' in Citibank's worldwide organisation you will have excellent carreer opportunities and all the benefits consistent with senior positions in Citibank.

Please contact Mr. I. A. Bonemeijer in our Personnel Department Citibank N.A., Herengracht 545-549, 1017 BW Amsterdam, Holland. Telephone: 31-20-264455, ext. 144.

CITIBANK

Project Accountant

Home Counties **c. £10,000**

My client, a company with a £ multi million turnover, is part of a publicly quoted group and employs some 2,500 in the design, development and manufacture of highly advanced technological products.

Heavily commited to computerised accounting embracing multifarious cost centres, they offer a challenging opportunity to a young ACA/ACMA/ACCA in a company where achievement and ability are quickly recognised.

The role, reporting to the Chief Accountant, has a wide and varied brief. With the emphasis on the development, installation and enhancement of systems, you would also be involved in ad hoc assignments with close liaison with senior management throughout the organisation.

An attractive range of benefits is offered, together with relocation assistance where appropriate.

Talk to Barrie Jones.

Harrison Cowley Executive Selection

35 Queen Square, Bristol BS1 4LU. Tel. 0272 213151 (24 hr. answering service).

Finance Director

c.£15,000 + profit share plus car

A publicly quoted group seeks an experienced Finance Director for its largest division. The successful candidate will be equipped to meet the challenge of bringing together the accounting and financial control systems of the various manufacturing units.

The division is in the course of a major restructuring programme and its profitability is of paramount importance in the group context.

Line responsibility is to the Divisional Chief Executive, himself a member of the main board, and functional responsibility is to the Group Finance Director. Candidates should be Chartered Accountants, aged 30 – 45, with a demonstrable record of success in a manufacturing industry.

The appointment carries a salary of around £15,000 and the benefits are those normally associated with a major public group including assistance with relocation where appropriate.

PERSONNEL ADVERTISING LIMITED

Please write in the first instance with details of age, qualifications and experience to David Macmillan, Personnel Advertising Limited, 22 Red Lion Street, London WC1R 4PX. Please specify any companies to which your letter should not be sent and quote ref. GRS 610.

RECRUITMENT CONSULTANT

Established City-based recruitment specialist seeks Consultant/Partner to join on a shared expenses or profit sharing basis. Blue Chip client list and aspirations.

The requirement is for someone already practising in the selection/search/consultancy field or alternatively having very considerable connections.

Please write to:

Jess Bhabra at Streets Financial Limited
18 Red Lion Court, Fleet Street, London, EC4

Investment Portfolio Management

Leading City Merchant Bank requires a Portfolio Manager to join its expanding Pension Fund Management Department.

The successful candidate must have had several years experience of mixed portfolio investment, particularly relating to property, including direct property investment.

Salary level and status would depend on the experience of the successful applicant.

Applicants, male or female, should write with details of their career to date, stating any companies to which their application should not be forwarded, to:

J.D. Vine, Account Director (Ref. CRS/172),
Lockyer, Bradshaw and Wilson Ltd.,
North West House,
119-127 Marylebone Road, London NW1 5PU.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

EUROBOND EXECUTIVE

CIBC Limited, a wholly-owned subsidiary of Canadian Imperial Bank of Commerce is forming a placement group to distribute capital market securities and is seeking a senior specialist for the position of:

HEAD OF PLACEMENT

The successful applicant will manage the placement operation and will have responsibility for direction and profitability of sales, trading and investment management. The applicant will be thoroughly familiar with relative values of high grade Eurobonds and will have spent most of his/her career in marketing or investment management of fixed income securities and money market instruments.

Attractive remuneration and benefits package.

Reply in confidence to:

J. B. Clark
CIBC LIMITED
55 Bishopsgate, London EC2N 3NN

The CENTRE FOR INDUSTRIAL DEVELOPMENT

(ACP-EEC Convention of Lomé)

Is looking for:

EXPERIENCED INDUSTRIALISTS

Qualifications required:

—Bachelor or master degrees in Industrial Engineering (Mech. Eng.) or Business Management or Economics or Industrial Sciences.

—Citizen of an ACP or EEC country.

—Perfect in English or French and willing to learn the other language.

—Candidates must be in good health and able to travel in tropical countries.

Further qualifications for junior professionals:

—minimum 3 years' experience related to industry of which 2 years in ACP countries;

intermediate professionals:

—minimum 6 years' experience related to industry of which 2 years in ACP countries;

senior professionals:

—minimum 15 years of experience after graduation working in the area of industrial development—preferably including 10 years working directly in industry, having reached a managerial capacity;

—industrial professional experience from both EEC as well as ACP countries with a minimum of 3 years in each group.

Work will be related to industrial promotion arrangements for training and assistance to ACP industries, industry studies, provision of industrial information, marketing and technical assistance, etc.

Salary levels are good compared to European standards. Four-year contracts may be offered to qualified applicants.

Applications and detailed c.v. with description of professional training and previous experience should reach the Centre before September 30, 1980, and be addressed to:

THE DIRECTORATE, Centre for Industrial Development
Avenue Georges Henri 451, 1040 Brussels, BELGIUM

Candidates who do not meet the above minimum qualifications should not apply and will not receive any reply from the Centre.

INVESTMENT ANALYST

DUBLIN

We are seeking a person with a degree or relevant professional qualifications to join our equity investment management team.

Ideally, the person will be a practising analyst or will have had considerable investment experience. The salary we offer will be attractive and commensurate with experience and qualifications. We also offer the normal fringe benefits associated with the banking profession.

Applicants should write and include a detailed curriculum vitae to:

F. J. Healy, Personnel Manager
INVESTMENT BANK OF IRELAND LIMITED
91 Pembroke Road, Ballsbridge, Dublin 4

INSTITUTIONAL DEALER AUSTRALIA

Potter Partners, one of Australia's leading stockbroking firms, has a vacancy in its London office for a Dealer/Advisor to service its international broking and institutional clients.

Applications in confidence to:

D. T. Clarke
POTTER PARTNERS
Estates House, 66 Gresham Street,
London EC2V 7AP

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PROJECT ANALYSTS Abu Dhabi

A financial institution in Abu Dhabi requires experienced project analysts for one of its departments.

Candidates should be Arab nationals and must be project oriented economists or financial analysts.

Applicants should have first class academic qualifications preferably at post-graduate level. They will ideally have at least five years experience with a reputable organisation in project appraisal and the associated analytical techniques as well as the assessment of specific acquisitions and direct investments.

Candidates must be willing to live in Abu Dhabi. The contract will be for a minimum of two years, renewable thereafter. Salary will be negotiable and free of tax in Abu Dhabi. Free accommodation, transport allowance and medical facilities will be provided.

Please write or telephone for an application form quoting ref. 1067/FT, to W. L. Tait.

Touche Ross & Co., Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR.
Tel: 01-353 8011, ext. 3185.

Your Chance to Become a Driving Force in Property

We're looking for able and enthusiastic young people to join our Mortgage and Property Finance Department at our Head Office in London.

By far the most important function is coordinating the activities relevant to the purchase and sale of properties which range from office blocks to farms, as well as arranging mortgage finance.

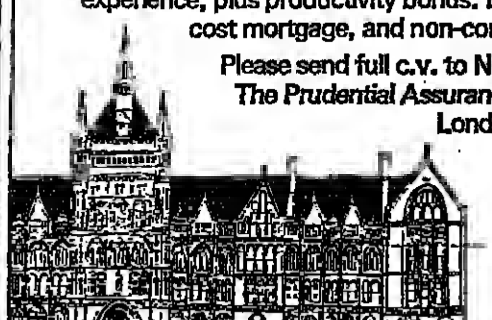
As a Property Finance Executive you would be a member of a small team that structures these deals, and likely to meet whatever companies and local authorities are involved, in addition to liaising with our own lawyers and surveyors.

It's involved, complex work, requiring application and thought; documentation is usually extensive, and accuracy is all-important. It calls for much energy in order to keep the momentum going in what is usually a lengthy transaction.

To apply, you should be in your twenties, preferably with some experience in a financial or other related field which is ideally supplemented by a relevant degree. Full training will be given on-job. Prospects for advancement are excellent.

Initial remuneration will be in the region of £6,500 depending on qualifications and experience, plus productivity bonus. Benefits include consideration for low cost mortgage, and non-contributory pension scheme.

Please send full c.v. to Nigel Holt, Personnel Department,
The Prudential Assurance Co. Ltd., 142 Holborn Bars,
London EC1N 2NH.



Prudential

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Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Young Accountant

Central London, c.£9,500 + car

✻ Tha position is with a large diversified profitable operating group, which is itself part of a major international company.

✻ Based at Head Office within a small highly qualified team, the work load is heavy, but varied and stimulating. It will include the usual range of duties, but there will be above averaga exposure to operational management, strategic planning, diversification, divestment and acquisition studies and cash resourcing.

✻ Candidates will be recently qualified accountants, ideally graduates, with a good grounding in the basics, who wish now to broaden their experiance for a period of about 2 years before being promoted within tha Group. The ability to recognise, work on and solva problems with tha minimum of supervision is essential.

✻ There is a comprehensive and above average benefits' package.

J.A.T. Bowers, Ref: 21206/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON. 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

ASSISTANT MANAGER FINANCIAL CONTROL

c.£12,000

The Trustee Savings Banks, with funds of £5.5 bn, offer a widening range of banking services to 8,000,000 customers through a network of over 1,650 branches throughout the British Isles. TSB Central Board's Finance Division, based in the City of London, is responsible for monitoring and co-ordinating the operations of 17 Regional Banks and group subsidiary companies.

Reporting to the Financial Control Manager, the successful applicant is likely to have held a professional accountancy qualification for at least three years and gained wide experience in both a professional and a commercial environment. Applicants, male or female, must have a high degree of self-motivation, organising ability, analytical skill and communicative ability. Experience of timesharing computer applications would be a particular advantage.

We offer an attractive range of fringe benefits, including a house mortgage subsidy scheme, private medical insurance and non-contributory pension scheme. The successful applicant will be required to undergo a medical examination. Approved relocation expenses will be reimbursed where appropriate.

Applications giving full details of salary and career experience to date, together with the names of two referees, should be addressed to:—

**Personnel Manager,
Trustee Savings Banks Central Board,
P.O. Box 33,
3 Copthall Avenue,
London EC2P 2AB**

to arrive not later than 18th September 1980.

TSB
TRUSTEE SAVINGS BANK

هكذا من الأصل

FINANCIAL DIRECTOR
(Designate)

City — **£12,000 + Car**

Multi-sets Limited *is one of the most successful* business forms companies in the UK. We specialise in business forms for banking and insurance companies, also in word processing and computer forms.

Due to the internal promotion of the Financial Director we are looking for a qualified accountant, age 30-42, as his successor. Multi-sets has a turnover approaching £4 million. Experience in a medium-sized company would be an advantage.

The vacancy is City based and the requirement is to provide regular management information for business control and development. You would be involved in the preparation of the company's short- and long-term plans and as a member of the company's senior management team will be fully involved in the running and direction of the business.

The company is a key member of the Williams Lea Group. In addition to a good salary other benefits and opportunities are commensurate with those of a progressive group of companies.

Applications to:

K. Morris, Group Personnel Adviser
WILLIAMS LEA GROUP LTD.
234/248 Old Street London EC1V 9DD
Telephone 01-251 2321

Williams Lea Group

Manager Securities Department

City — **c. £11,000+Car**

Our client, a North American banking and financial institution is seeking a Manager for the Securities Department.

The successful applicant will have at least 5 years' previous experience and have a good all round technical knowledge of the securities and investment field gained in a City banking environment.

He or she must be able to demonstrate good experience of managing and training staff.

An attractive salary will be offered, together with a company car and other benefits including house mortgage subsidy, BUPA, Pension & Life Assurance.

Please send details of your career to date indicating any companies in which you would not be interested, to:

J.D. Vine, Account Director (Ref. CRS/171),
Lockyer Bradshaw & Wilson Limited,
North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

MANAGER
CORPORATE FINANCE AND PLANNING

Our Client, a leading International Merchant Bank, seeks to appoint a Manager with responsibility for Corporate Finance, Planning and Special Projects.

Duties will involve working very closely with the Managing Director and the Associate Director in charge of financial services. The position will offer exposure to all aspects of the bank's business, and the opportunity to develop the corporate finance activities of a rapidly growing bank.

The ideal candidate will be in the age range 27-35 years, with a first-class degree and a post graduate business school qualification. In addition, candidates should be able to demonstrate some practical experience of Corporate Finance, Planning and Taxation.

A highly attractive salary and generous fringe benefits will be provided together with the opportunity for personal development within the bank.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside London EC2 Telephone 01-248 3812/3/4/5

Financial Controller

London – Victoria — **c£15,000 + car**

Our client is the U.K. subsidiary (T/O £24m) of a major Swiss engineering group with operating units world wide.

They seek a strong commercially orientated Financial Controller to take full responsibility for the finance and accounting function together with the development and improvement of in-house systems.

Reporting to the Managing Director, this position also has considerable commercial involvement, including corporate planning and investment appraisal of new products and markets.

Candidates must be qualified accountants with a practical knowledge of computer systems, costing and budgetary control gained within a high technology industry. It is unlikely that the successful candidate will be under 35 years of age.

Interested applicants should submit full career details stating current salary, office and home telephone numbers and quoting ref 806 to Nigel Hopkins FCA.

MP
Michael Page Partnership
18/19 Sandland Street, Bedford Row, London W.C.1.
01-242 0965/8

Nigeria
Financial Controller

c.£20,000+, house and car

A rapidly expanding international group offers a tough challenge in its Nigerian fast moving consumer goods manufacturing associate company.

Based in Ilorin you will direct all accounting functions and improve the accounting procedures and controls in a multi-site operation. You must have some 5 years as head, or deputy, of the financial function in a fast moving consumer goods company and have worked in a developing country. Aged 35-45 with recognised accountancy qualification (CA or equivalent). You must be 100% fit, married (with children of boarding school age) preferred. Joining top management you will enjoy a fully furnished three bedroomed detached house with personal staff. One month's home leave twice a year. 3 year contract with worldwide openings.

Please send details of qualifications and experience under reference 1571/MS/FT to:

Robert Lee International
Manpower Consultants Limited
24 BERKELEY SQUARE, LONDON W1X 6AR

MERCHANT BANKING

S. G. Warburg & Co. Ltd.

Our international issuing and international corporate finance activities continue to grow and we are seeking young executives with the potential to make a significant contribution to our business.

Successful applicants are likely to be aged between 24 and 32 and to have already acquired experience of international issues or international corporate finance in London or another financial centre. Alternatively, they may be professionally qualified in accountancy or law or have a business school degree. Relevant post-qualification experience and fluency in one or more foreign languages would be an advantage and willingness to travel is essential.

Applications, enclosing a curriculum vitae, which will be treated in strict confidence, should be sent to:

G. E. J. Wood, Executive Director,
S. G. Warburg & Co. Ltd.,
30 Gresham Street, London EC2P 2EB.

HOARE GOVETT LTD.
BLUE BUTTON

Hoare Govett Ltd. require a Blue Button. Applicants should have a minimum of 5 GCE O'levels, be alert and intelligent, and of smart appearance.

For further information please contact:

**Annette Culverhouse,
Personnel Officer,
Hoare Govett Ltd.,
Heron House,
319/325 High Holborn,
London. WC1V 7PB
Tele: 405 7507**

We've lost some of our best accountants. And we're proud of it.

The Technical Directorate of the Institute of Chartered Accountants in England and Wales *attracts* some of the best young accountants in Britain. They welcome the challenge of developing improved standards of accounting and auditing. They are often ambitious. And they enjoy working in a lively environment.

Not surprisingly, some of our best staff are snapped up by discerning employers elsewhere – in practice, industry and research. Two are now partners in international accounting firms.

Others find plenty of scope for career development in the Technical Directorate itself. For example, four of the top jobs are currently held by people in their thirties.

With so many opportunities opening up for Directorate staff, there is a continuing need to recruit new blood. If you are aged between 27 and 30 or thereabouts (prefarably with a degree and a couple of years' post qualifying experience), are earning between £9,000 and £11,500 per annum, and have the desire and ability to make your mark in the development of new accounting and auditing standards, write now in confidence to:

R G Willott Esq., Technical Director
The Institute of Chartered Accountants in England and Wales
PO Box 433, Chartered Accountants' Hall
Moorgate Place, London EC2P 2BJ.

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

It could be your most profitable step in developing a successful career.

DEVELOPMENT EXECUTIVE

CITY — **UP TO £11,000**

This is your opportunity to join a team responsible for masterminding the acquisitions and disposals of a substantial multinational group, for monitoring the markets in which the group operates and for developing strategic thinking within the group.

We think you will be a numerate graduate in your late 20s, iconoclastic in temperament, with experience, who enjoys this sort of work and likes negotiating.

Please reply with c.v. stating to which companies applications should not be sent, to:
Box A7280, Financial Times
10 Cannon Street, EC4P 4BY

Financial Management in Industry

A rare opportunity for a young, qualified Accountant.

£11,000-£16,000 p.a. — **Thames Valley.**

Mars is one of the country's leading manufacturers of quality confectionery. *We have already achieved a substantial share of the* market, and are determined to increase this even further. Obviously sound financial management is crucial to our future success, and we have an excellent opportunity for a recently qualified Accountant.

The Finance Department is responsible for financial planning including profit and cash forecasting, capital investment appraisal, factor cost control, management accounting for home and export marketing and integrated historical accounting. You will manage a small department and take immediate, direct responsibility for the management of part of these activities as well as contributing to the overall financial management of the Company.

We have developed advanced accounting practices including the application of current cost accounting and you will have the opportunity to gain experience of at least two of the areas mentioned before being considered for more senior positions. Career development may not be limited to financial management.

We are looking for a recently qualified Accountant ideally aged between 24-28 with a good degree, who wishes to move from the profession into industry or to develop their industrial experience.

You will be expected to play a vital part in the future development of the department. Obviously this demands first class communicative skills and the ability to influence people throughout the company.

Starting salary will be not less than £11,000 in a range that rises to £16,400; this is supplemented by bonus payments based on Company performance and a non-contributory scheme providing sick pay, life assurance and pension. Financial assistance will be provided to move to the Thames Valley.

Please write giving brief personal and career information to John Davies, *Personnel Department,* Mars Limited, Dundee Road, Slough, Berkshire SL1 4JX.

Mars

A new approach to your career

If you are an able, experienced executive or professional person, yet somehow you are not making the most of your potential, perhaps you need a new approach to your career.

We specialise in assessing and developing senior people towards personal career satisfaction, to take charge of their own futures and to make the most of their talents and experience to achieve optimum personal and financial rewards.

If you're not entirely happy with the way your career is going, why not come and meet one or our professional Career Consultants, without charge or obligation. For your personal, confidential appointment phone 01-637 2298 now.

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The Consultants in Executive Evaluation and Career Advancement
London: 35-37 Fitzroy Street W.1.

We are not an Employment Agency

FINANCIAL CONTROLLER

$50,000–$60,000 tax free substantial benefits
SAUDI ARABIA

A Financial Controller is required by a Riyadh-based holding company owning substantial interests in a number of joint ventures engaged in diversified activities including process plants, industrial engineering and construction, general contracting and trading, manufacturing, agriculture and maintenance services.

The Controller will report to the Chief Executive and have the following responsibilities:

* to be responsible for the accounts of the holding company
* to monitor the financial position of the joint ventures, and also their accounting systems and controls
* to recommend changes in systems as appropriate
* to be involved in the treasury function at individual company level.

The successful candidate, probably in his mid-30s, will be a qualified accountant, with previous sound experience at a senior level and preferably with experience in contracting. Some international experience would be an asset.

Salary will be negotiable with the range $50,000 to $60,000. Additional benefits include free modern furnished housing, car and other attractive benefits.

Please send a comprehensive career résumé, including salary history, quoting 1070, to W. L. Tait.

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR
Tel: 01-353 8011 ext. 3185

Internal Auditors

Edgware, Middlesex. Up to £10,000 pa+Car.

B.A.T. Stores Holdings Ltd., is the holding company for International Stores, Superstores and Argos Distributors Ltd., part of B.A.T. Industries, a British based public company with worldwide assets of over £3,600 million. The following opportunities offer excellent career prospects within the organisation:–

E.D.P. Auditor

Applicants should be chartered accountants with a sound theoretical or practical background in computing. We run IBM 3031 and NCR criterion mainframes together with a variety of distributive processing applications driven by mini computers. Argos and Superstores are leaders in the field of in-store system development, providing a unique opportunity of gaining in depth knowledge of advanced retail applications.

The E.D.P. audit section is currently developing the use of file interrogation software and advances in E.D.P. audit techniques are kept under constant review.

Operations Auditor

Applicants should be chartered accountants, with a thorough grounding in professional audit techniques.

The position demands an ability to assess the effectiveness of controls over company operations and to gain the confidence and co-operation of management at all levels.

Experience of large company systems and a computer based environment are essential.

Generous provision will be made for staff training and education. The range of staff benefits include free BUPA and special discounts on a wide range of goods. Travelling will be mostly confined to the London area.

Applicants should write with full details of career to date or telephone for an application form to:–
Mr. J. P. Gardner,
Personnel & Training Manager, B.A.T. Stores Holdings Ltd.,
112 Station Road, Edgware, Middx. Tel. No: 01-951 1363.

B·A·T STORES HOLDINGS LIMITED

INTERNATIONAL INSURANCE FINANCIAL DIRECTOR DESIGNATE

City — **Neg. c. £20,000 + car + benefits**

Our client, founded over 50 years ago, is currently one of the largest privately owned insurance and re-insurance brokers in the United Kingdom. Now under young, dynamic management, the company has expanded some six fold in the last four years and this has created a need for a fully qualified and experienced accountant to provide an effective and responsive finance function, including developing computer systems and management reporting procedures. Considerable scope will be given to the successful candidate to use his professionalism and experience to improve the profitability and efficiency of this organisation.

Candidates should be qualified with a sound knowledge of insurance broking and Lloyds Underwriting. Age will probably be between 35 and 40, although candidates with the appropriate experience and outside this age range will also be considered, with the final agreed salary reflecting experience and potential. A strong personality will be required to fit in with the existing management. Other personal attributes will include a flexible approach and the potential to assume a Board appointment within 12 months.

For fuller details and a personal history form please contact Ian Tomlisson, 410 Strand, London WC2R 0NS. Tel: 01-836 9501, quoting ref. 2960.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
DLA
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

Reed Executive

The Country's most successful Recruitment Service.

Commercial Director

London — **to £15,000 + bonus + car**

With a turnover exceeding £60m and an excellent growth record from the sale of specialised products to industry, this very successful public company will provide you with the stimulus of Board level decision making and the opportunity to develop for yourself a rewarding career in General Management. In this new, director designate, appointment you will be responsible for all aspects of finance, accounting and administration. As a qualified accountant you will have a good commercial background including the use of computers, proven administrative experience within a large staff environment and a profit orientated approach to business development.

Telephone: 01-836 1707 (24 hr. service) quoting Ref: 0417/FT. Reed Executive Selection Limited, 55/56 St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates.
London Birmingham Manchester Leeds

ALANGATE BANK APPOINTMENTS

Early retired Bank Clerk, age 55/60, for Foreign Exchange Positions with Consortium Bank. £5,000 +

Eurobond Settlements & Deposits Clerk, City Investment Bankers, age 19/21. £5,000 + attractive benefits.

Documentary Credits Clerks for Consortium and International Banks. £6,000-£7,000 + benefits.

Foreign Exchange Settlements & Instructions, 25/30, able to type confirmations, American Bank. £6,000 + excellent benefits.

Accounts & B of E returns, age 24+ familiar with computer systems. £6,000.

Internal Audit, trouble - shooting dept., computerised accounts, international Bank, age 24+. £8,250.

For these and many others, ask for Delia Franklin
Alangate Staff Consultants
78 Queen Victoria Street
London, EC4.
Tel: 01-248 6071.

FX DEALER (Kuwait) to $50,000 + Bonus
FX DEALERS £ negotiable
LENDING OFFICERS to £14,000
BANKING MANAGER, AIB c £14,000
SYSTEMS ANALYST c £13,500

Please contact Mike Pope or Sheila Anketell-Jones
236-0731

Q.S. Banking
Recruitment Consultants
30-31 QUEEN STREET, LONDON EC4

Accountant/ Company Secretary

Mayfair — **c.£14,000**

Our client is a fast growing public company in the commercial property business with its head office in new premises in the heart of bustling Mayfair, London.

The company requires an enthusiastic qualified accountant aged around 30 who would enjoy a high level of involvement in the day to day management and development of the business. You will be directly responsible to the managing director for all accounting and secretarial duties, with active participation in the preparation of cash flow projections, financial appraisals and Stock Exchange documents. Some commercial experience is required. Career prospects are excellent for someone whose technical abilities and commercial acumen can meet the expanding needs of the company.

Please send concise personal, career and salary details, or apply for an application form, quoting Ref.AC 500 to:

W.S. Gilliland, Thornton Baker Personnel Services Limited, Fairfax House, Fulwood Place, London WC1V 6DW. Telephone: 01-405 8422.

A member of the Management Consultants Association

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

New Business Manager – Factoring

Coventry, c.£8,500 + car

Our client, one of the largest invoice factoring services in the U.K., is looking for a Regional Manager for their Midlands operation. He or she will be responsible for following up enquiries, assessment of potential client companies, and the negotiation and completion of contracts. The ideal candidate will be aged between 28–32, finance/marketing orientated, and able to work without supervision. A comprehensive training will be given. The prospects and fringe benefits are excellent.

Indira Brown, Ref: 19207/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

BUILDING SOCIETY— INVESTMENT OFFICER

Anglia Building Society requires an Investment Officer at its Head Office in Northampton. The salary will be around £8,000 per annum plus fringe benefits, including a staff mortgage scheme. Responsible to the Investment Manager, the job will include dealing in the London Money Markets and will involve personal contact with City personnel. The person appointed will be expected to assist in the management of the Society's cash and investments, including the portfolio of gilt-edged securities. There will also be involvement in syndicated loans and pension fund investment.

The person we are looking for will be aged between mid 20s and early 30s with some experience of stockbroking or banking. A knowledge of building societies is desirable. The person should have a relevant professional qualification and possibly a degree in economics or another relevant subject. Candidates should possess an outgoing personality, together with the ability to communicate both orally and in writing at a high level; drive and initiative are important. Some knowledge of investment accounting and taxation would be an advantage.

Applications are invited from suitably qualified persons and should be sent to Mr. R. C. Pinnock, Staff policies Manager, Anglia Building Society, Moulton Park, Northampton NN3 1NL, by 19 September 1980.

ANGLIA
BUILDING SOCIETY

CHIEF ACCOUNTANT

City — **from £11,000 + car**

Our client is a successful and growing business whose principal activity is the transaction of life assurance. The company is a subsidiary of an American corporation and has been established in the UK for some years.

The Chief Accountant will report to the Managing Director and through a small staff will be responsible for all aspects of accounting and financial reporting. Systems are computerised and a more powerful in-house machine will be installed later this year.

Candidates must be qualified accountants with knowledge of life assurance or a related activity. The preferred age is about 30 and experience in department management and system development is highly desirable.

Initial salary will be from £11,000 and other benefits include a car, annual bonus related to performance and mortgage assistance. Applications should be sent in confidence to D.W.E. Apps quoting ref FT/115/A giving an outline career history and brief personal details to the address below.

E&W Ernst & Whinney Management Consultants
57 Chiswell Street, London EC1Y 4SY.

DIVISIONAL CONTROLLER

Mid Surrey — **to £15,000+car**

An exceptional manager with good inter-personal skills is sought for this demanding appointment. Applicants should be qualified accountants, ACMA, ACCA or ACA, aged 35-45, with comprehensive experience of financial reporting and control, acquired preferably within a US-owned company, and a background in manufacturing industry, ideally light engineering.

Reporting to the Divisional Managing Director, you will be expected to assume responsibility for the accounting and administration for all the operating entities of a recently established and rapidly growing division of a major international group. Early emphasis will be upon the development of a more sophisticated and comprehensive system of management reporting and cost control.

This long established company manufactures and markets a unique range of products and related services and has an enviable record of profitability and export achievement.

Please write briefly or telephone for an application form, quoting Ref: 5371.

Management Personnel
Recruitment Selection & Advertising Consultants
Shaw House 2 Tunsgate Guildford Surrey
GUILDFORD (0483) 65566

T. C. COOMBS & CO.

OVERSEAS SETTLEMENT STAFF

Due to expansion plans we will have several vacancies for first class overseas settlement staff in the Australian, Far Eastern, Eurobond and Dividend departments. Attractive salaries will be negotiated with annual bonus plus non-contributory pension scheme and other fringe benefits. Candidates wishing to apply should send brief details of their career, qualifications and present salary, which will be treated in strictest confidence to:

Mr. P. Mahon
T. C. COOMBS & CO.
Royal London House
22 Finsbury Square, London EC2A 1DS

Senior Accountant

£16,250 — ***+ car and major benefits***

An additional career opportunity has arisen for a qualified and competent accountant to join a major UK clearing bank in London to fulfil a prime role in its Overseas Division which employs more than two thousand staff within its central offices and branches throughout the country.

The successful applicant will be responsible for providing a high level degree of expertise in the financial and accounting functions for the Division, and in particular, for assistance, design, implementation and subsequent operation of the proposed computerised accounting and information system which is due for development in the near future.

Candidates, male or female, aged 28 to 35 years must be able to liaise effectively with senior management of various disciplines and in view of the importance of this appointment, it is unlikely that candidates without sufficient knowledge and experience of accounting within an international banking environment will be considered.

In addition to salary and car, benefits include pension, 5½ weeks holiday, profit sharing, subsidised mortgage facilities, BUPA and preferential loan schemes.

Please write in confidence for further details and application form to Michael R Andrews, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY. Quoting MCS/7017.

Price Waterhouse Associates

Investment Analyst/ Assistant Fund Manager

Electra Group Services, a major, independent fund-management group, is seeking an experienced analyst who will be required to research a wide range of major investment possibilities.

As one of a small team in the investment department to whose deliberations he/she will be expected to contribute, he/she will work closely with the U.K. investment manager, assisting in the day-to-day management of the fund.

The successful applicant is likely to be aged 25-30, could well hold a degree or other professional qualification, and will have had at least two years' experience of investment analysis. Particular qualities required are the ability to think originally and to communicate at senior level.

This is a new post which is expected to provide over the years opportunities for further responsibilities and advancement within the group. Salary will be negotiable and the total remuneration package is attractive.

Applicants are invited to write to Mr. J.P. Craze at the address below enclosing a curriculum vitae and quoting current salary level.

Electra Group Services Limited,
Electra House,
Temple Place,
Victoria Embankment,
London WC2R 3HP.

THE HERITABLE AND GENERAL INVESTMENT BANK LIMITED
52 BERKELEY SQUARE, LONDON W1X 6EH

BANK OFFICER

Salary c. £6,500 — Age: 20-25

Recent expansion of this long-established investment bank has created a vacancy for an assistant to the Manager to help with all aspects of the many banking operations. A good clearing-bank background will be an advantage, and candidates should enjoy the variety of working in a small professional team.

Applicants, who will be expected to demonstrate initiative and the ability to progress with the minimum of supervision, should apply to the Manager enclosing a comprehensive curriculum vitae.

INVESTMENT TRUST MANAGER

THE TOR INVESTMENT TRUST LIMITED,

a self-administered split-level Trust based in Swansea seeks to appoint a Manager to take over from the present Managing Director who is due to retire in mid-1981.

The position entails overall responsibility for the day-to-day management of the Company including supervision of the registration and accounting work and an accountancy qualification or background is desirable in addition to investment experience.

The preferred age is 40/45 years. The position carries prospects of a seat on the Board in due course and salary is negotiable. Pension arrangements will be made.

Applications with full details of qualifications and experience should be made to:

Managing Director
THE TOR INVESTMENT TRUST LIMITED
G.P.O. Box No. 3, 6 Caer Street, Swansea SA1 3PS

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Nigeria's Fastest Growing Bank Needs To Strengthen Its Management Team

In just 3 years, Société Générale Bank (Nigeria) Limited has established itself amongst the leading Banking organisations in the Federation.

Set up in 1977 in association with Société Générale of France, the Bank has five nationwide branches — a number which will double before the end of 1981. This dramatic expansion is the result of an aggressive marketing policy and the introduction of a real-time computing system which is, perhaps, the most sophisticated on the African continent.

The further development of the Bank now depends heavily on the introduction of new managerial talent.

Nigerian Citizens

with suitable qualifications and experience are urgently required to fill a variety of senior/middle management roles.

In addition to Nigerian nationality, the essential requirements are degree level qualifications in a relevant discipline, sound post-graduate Banking experience and genuine managerial ability.

Salaries and conditions of employment will fully reflect the seniority of the positions and all reasonable expenses incurred in returning to Nigeria will be reimbursed.

The Bank has appointed Professional & Executive Recruitment to handle the initial stages of this assignment. All interviews will be held in the U.K. For details, please telephone in strictest confidence, Ken Close at PER Sheffield on 0742 77556.

PER Professional & Executive Recruitment

MANAGING DIRECTOR

£25,000 plus

A UK-based international company seeks a Managing Director for a major UK subsidiary company engaged primarily in manufacturing and distributing engineering products.

The position also carries responsibility for considerable UK exports and some overseas interests, the total turnover involved being in excess of £100 million. Office location is in the North of England.

The successful candidate is likely to be aged 40 to 50, and to have had substantial international experience at the most senior level in a steel-processing industry.

Replies containing comprehensive career details, and quoting reference S82/FT, should be forwarded to the address below. Covering letters addressed to the Security Manager listing companies to whom your application should not be passed will be intercepted and your instructions noted.

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Candidates should be 25 to 28 years of age, with a good degree and CA or ACA qualification. Those still in the profession will be considered.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Alan Crompton, quoting reference 910/FT on both envelope and letter.

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The need is for a professional manager with sound business acumen to optimise profits and return on investment of a £25m subsidiary of a leading American corporation. All financial, company secretarial and administrative services required to meet statutory, corporate and local company needs are primary responsibilities.

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RH

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Citibank has long been established as one of the most successful International banks operating in the U.K. out of London. Having opened a branch in Manchester last year, we wish now to recruit an experienced corporate account executive to join our team and develop more fully the range of business relationships established in the North of England.

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Our client is one of the major bedding manufacturers who has a reputation for quality.

This Board appointment will have complete responsibility for the direction and development of the sales and marketing function in order to achieve planned growth to a wide range of retail outlets.

It is essential to have held a senior sales and marketing appointment in the consumer durable field with a proven record of success in developing sales throughout the UK.

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Candidates, of either sex, please apply for an application form to D. G. de Belder, Knight Wegenstein Limited, St. Christopher House, 217 Wellington Road South, Stockport, Cheshire SK2 6LT. Telephone: 061-477 8585. Reference: 68538.

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Apply in the first case in strict confidence to:

Colin H. Price, London Manager,
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Tel: (01) 588 5201 After hours: Esher (78) 62438

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Please write, enclosing curriculum vitae, in strictest confidence to:

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Group Management Accountant

N.E. London to £17,000+car

A distinguished manufacturing group with a nine figure turnover and an excellent export performance seeks an experienced industrial accountant to be responsible to the financial director for all management accounting and associated systems. There is considerable scope for a personal contribution to efficiency and profitability.

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For full job description write in confidence to John Courtis at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting 7062/FT. Both men and women may apply.

John Courtis and Partners

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Divisional Management Accountant c£11,500

This post calls for a qualified accountant aged 26-35 with Industrial accounting management experience gained in a computerised environment of a large industrial complex. The personality to influence non financial types and the ability to communicate effectively at senior levels are vital attributes. The role is demanding, varied and interesting and includes the preparation of statutory accounts, the compiling of profit projections and the preparation of financial management information using modern accounting techniques.

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MANN MANAGEMENT

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"NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS"

THURSDAY 25th SEPTEMBER 1980

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 25th September, 1980, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

Advertising rates will be £19.50 per single column centimetre. Special positions are available by arrangement at premium rate of £22.00 per s.c.c. Copy date is Friday, 19th September. For further details, including reprints of previous features, please telephone 01-248 4601 or 4864 (direct lines).

Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

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Financial Manager

West and Southwest London
about £11,500 + Car

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We will principally be looking for a recognised accounting qualification, at least 2/3 years post qualification experience and staff management responsibilities.

Please reply in confidence, quoting Ref. U884/FT giving concise personal, career and salary details to R.G. Billen – Executive Selection.

AYMS Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL.

Financial Director

London c£30,000

A Financial Director is required for a leading Oil Service company. Experience of raising finance in different financial centres would be useful and knowledge of the City and its institutions is essential.

Candidates should have an accounting, economic or banking training and should be familiar with the tax, accounting and financial problems of complex multi-national groups. Previous experience in a similar role in industry would be an advantage.

International travel will be necessary. The appointee will report directly to the Chairman of the Group.

A substantial salary will be offered to the successful candidate and the other terms and conditions of employment will be commensurate with a senior Board appointment.

Applications with a full c.v. should be forwarded to John Goodger, Financial Strategy Limited, 25 Bedford Square, London WC1B 3HG.

Director of Engineering

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The appointment offers considerable scope in an increasingly multi-national environment; salary and benefits will be very attractive.

Please write with brief details to J. L. Muncey, The Boots Company Ltd., Head Office, Nottingham NG2 3AA.

TECHNICAL SALES ENGINEER

London based company seeks executives with technical education, in Chemistry or Engineering. Additional advanced education in business helpful. Applicant must have minimum of 5 years experience in the petroleum industry with a record of international client contacts. Previous overseas assignments desired.

Candidates must be able to communicate with top level personnel in the oil industry and be able to make technical and economic evaluation on clients' production/supply capacity and requirements. Extensive travel will be required.

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FINANCE OFFICER
(PO2 (6-10))

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Ellison Building,
Ellison Place,
Newcastle upon Tyne NE1 8ST.

APPOINTMENTS WANTED

SALES OR MARKETING

I am a 29-year-old married lady who also has a degree in economics, speaks four languages, and enjoys selling. I have just returned from abroad, and I seek a position in sales or marketing, preferably in London or west towards Reading. If you are seriously interested, please write:

Box A7291, Financial Times,
10 Cannon Street, EC4P 4BY.

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

RESEARCH AND SAFETY STANDARDS

The terror in a toothpaste tube

The discovery of dangerous side effects produced by products formerly thought innocuous is the stuff of which a marketing manager's nightmares are made. But the truth of the matter, argues M. J. Waterson, head of research at the Advertising Association, is that many of the claims made by researchers are seriously exaggerated, and that such exaggerations have serious consequences for individual manufacturers and for consumers as a whole.

ONE OF the recurring nightmares faced by marketing managers is the chance of someone, somewhere, discovering some awful side effect produced by the consumption or use of what was previously thought to be an innocuous product or brand.

Every schoolboy now knows that it is better to avoid butter on one's toast, preferable to pass over the cholesterol-filled eggs, infinitely better to walk or better still to run to one's office rather than attempt a stress-filled drive, and imperative that the greatest care be taken to avoid those brands of toothpaste now known to contain a cancer-causing agent.

The really intriguing question, and the one that is asked far too rarely about these various allegations, is how do those making the accusations arrive at their conclusions, and how valid are they?

There are really three basic methods used by researchers in this area: statistical association between product sales and supposed side effect, cross-cultural studies and "scientific" experiments.

The first of these three categories is perhaps the most commonly used. Academics everywhere now revel in the delights of trying to show associations between product sales and the various disorders that afflict mankind. Almost all work of this kind is based on the statistical techniques of correlation and regression.

These techniques are well established and in common use in many large organisations in a variety of applications ranging from sales forecasting to testing advertising effectiveness. Few managers, however, are equipped with more than a very elementary notion of what it's all about, despite the fact that, although endless sophistication is possible, the basic mechanism, and the various drawbacks of the approach, are fairly easy to understand.

The basic technique merely consists of a series of calculations enabling the user to probe the degree of association between two or more data series. For example, a marketing manager in the ice cream business may believe that there is some connection between sales of his product and the weather.

A researcher can very easily and cheaply (since the advent of the computer terminal and the programable calculator) explore the pattern of movements of ice cream sales and various measures of weather such as air temperature, hours of sunshine, rainfall, and so on, and may arrive at the conclusion that an x per cent increase in air temperature in 98 per cent of cases leads to a y per cent increase in ice cream sales.

However, even in such a simple case, where the potential association (or correlation) is obvious, problems arise. To arrive at a correct assessment of the degree of association it may be necessary, for example, to get hourly ice cream sales data or regional sales data, which may be impossible to collect. Other factors may be an important influence (such as the weight of competitors' poster advertising expenditures) but may be impossible to measure.

In a more complicated situation, data problems may be insuperable. For example, attempting to correlate anything with levels of alcoholism runs up against the problem that alcoholism is difficult even to define, let alone measure.

A further problem is the fact that it is almost always difficult and often impossible to identify all the possible reasons for a product's sales performance or the various possible reasons why large numbers of people die from one particular cause.

A recent study by a Harvard scientist challenged the widely held view that cigarette smoking causes heart disease by showing that smokers-who-give-it-up are on average very different sorts of people on a variety of scales, including lung capacity, alcohol and coffee consumption, psychological ratings and so on. Studies of heart disease levels and smoking have assumed that such differences are not relevant. The Harvard evidence suggests they may well be highly relevant.

Great difficulties are obviously involved in demonstrating a link between the consumption of any one particular product or one particular activity and a supposed consequence. These problems are compounded by the difficulty of demonstrating that a cause and effect link exists.

Correlation

For example, if data existed, it would probably be possible to show that the average level of physical exercise undertaken by the human population has declined rapidly since the days when we were hunting mammoths for breakfast. Yet our average life span has risen dramatically over the same period.

In total contradiction to the Health Education Council's view, this "correlation" would certainly suggest that we should all exercise even less if we wished to live longer, but obviously it would be foolish to assume that a cause and effect relationship exists in this instance.

In many cases it is difficult to decide whether or not a particular statistical association is just a freak, represents a real cause and effect link, or reflects some other unmeasured factor or factors which influence both variables under consideration similarly.

The second basic type of study used extensively to demonstrate the death-dealing properties of products is the cross-cultural study. An obscure village in a remote mountain region of Russia is found to contain a far greater proportion of 100-year-old men than does East Grinstead. Since they live on an exclusive diet of yogurt and stick insects, the inhabitants of East Grinstead are obviously poisoning themselves by their regime of fish fingers and champagne.

The criticisms that must be made of all such studies are similar to those already noted for statistical studies. It is difficult to get comparable data, it is difficult to isolate all possible reasons for a particular pattern of events. It is difficult to show causality, and conclusions are frequently overturned by subsequent studies, sometimes however, many years after the publication of the original work.

Irrational

The third category of criticism is that derived from experimental testing. The word "scientific" is applied to almost any sort of experiment these days. Researchers dream up all manner of peculiar "tests" and "experiments" very few of which have general application. The problem lies not so much in the experiments themselves (which often make interesting reading, particularly for people of a sadistic inclination) but in the irrational fears they can be used to arouse.

If a group of West Nebraskan art students becomes horribly ill after volunteering to eat nothing but a particular brand of banana for six weeks, even moderately sensible publicity can lead to problems for the manufacturer involved. Far more serious, however, is the widely practised technique of the massive overdose. Laboratory rats injected with a vast amount of almost anything will become seriously ill or die, but such techniques have led to widespread bans on a number of products—notably saccharin. Yet such results are hardly ever conclusive, and are often disproved afterwards, and in any event do not necessarily apply to homo sapiens.

This brief summary of some of the techniques being used today to justify everything from advertising bans to bans on whole ranges of products, illustrates just how difficult it is to be sure that claimed side effects really do result from a certain type of activity.

If advertisers were allowed to base product claims on such forms of "research," there would be an outcry from a wide range of organisations. Yet researchers are allowed to get away with false claims and misleading statements all the time. Furthermore, the great accumulation of such studies is slowly but surely leading legislators into producing ever more cautious rules and regulations governing new product research.

It now takes millions of pounds to develop a new pesticide or drug, and about half the money has to be spent on statutory and environmental tests. The result is that the cost of satisfying safety regulations has become so high that it seriously reduces the amount of money that should be available for further research.

Illustration

A good illustration of just how serious the situation has become is suggested by the fact that the number of crop protection compounds submitted for approval to the World Health Organisation has declined precipitously over recent years.

The truth of the matter is that many of the claims made by researchers using the techniques described are very seriously exaggerated, and that these exaggerations do have serious consequences, both for individual manufacturers and for the population as a whole. In some cases (such as during the temporary suspension of DDT usage in Ceylon, when malaria reappeared in epidemic form in the early 1960's) thousands of lives are needlessly lost.

It is also true that the proliferation of highly sensitive instruments able to measure infinitesimal quantities of noxious compounds in our body fluids will ensure that an ever increasing number of potential hazards are identified in years to come.

There is no perfect solution to this problem, but it is absolutely essential that legislators, civil servants and others concerned with the problem should at least be made aware of the fact that not everything they read in newspapers is necessarily true—except of course, in the advertisements.

ITV CELEBRATES FIRST 25 YEARS

Fourth channel: hint of longer breaks

By Michael Thompson-Noel

HAND NONCHALANTLY in pocket, his voice effortlessly smothering the clatter of brandy glasses, Leon Brittan, QC, Minister of State at the Home Office, drew mixed reviews for his after-dinner performance at a black-tie do at Claridges on Monday—a dinner given by the Kirkwood agency to celebrate 25 years of TV advertising.

Faced by a distinguised bevy of show business and media personnel, the Minister, whose responsibilities at the HO include broadcasting, made the mistake of addressing the throng as though it were a jury, prompting Max Bygraves to give voice to the hope that the Minister's career in politics would last as long as his speech.

That was unkind of Bygraves, and Brittan looked hurt. The main thrust of his speech was the notion that the Fourth Channel, and maybe breakfast TV as well, might carry more advertising and longer commercial breaks than does ITV 1.

He concentrated on the Fourth Channel, which was "bound to offer interesting and advantageous new opportunities to advertisers," reminding his audience that a good deal of variation was possible under the present law.

"There is no statutory bar, for example, to longer advertisements or even to more of them . . . One suggestion that has been made is that both the programmes and the breaks should be longer or at least more flexible in length. Whether that would make sense remains to be seen, but I am sure that a constructive dialogue on these matters between advertisers, the IBA and the Fourth Channel Board can and should now proceed," although he was far more cautious in contemplating sponsorship of programmes by advertisers.

Host of the evening was the Astaire-like Ronnie Kirkwood, who screened a 25-minute reel of commercials to toast ITV's first quarter-century. The golden-oldies were there, from Gibbs SR (the first commercial shown on opening night nearly 25 years ago) and Strand and Sunblest to the PG Chimps, Kattomeat, Homepride and Cadbury's Smash to the latter-day Courage's "Gertcha," Cinzano, Foster Grants and Heineken.

Sitting at the top table, Doris Speed of Coronation Street looked severely unamused.

Time capsule

I wish people would stop referring to the 1980s as though they were a discrete capsule of time, divorced from the decade that preceded them or the one that is to follow.

According to a letter that has clumped on to my desk: "Phoenix Advertising, which will be launched on September 12, is a new agency specifically designed to help with the advertising problems of the 1980s."

The agency is being backed by Craton Lodge and Knight, the new product consultancy. Phoenix's founding trio is comprised of Ronnie Plowman, creative director at Wells Rich Greene (his successor there is Mike Belgrove of Euro Advertising), David Broadbent of CLK, and John Wigzell, head of planning at OBM.

No bananas

Following an island-wide clean-up after Hurricane Allen, the St. Lucia Tourist Board has signed a contract for what I am told will be a "high-gear UK publicity programme" crafted by Lexington International, the PR offshoot of the mighty J. Walter T.

The campaign promises to be gushy. "An immediate hot-line to handle enquiries about the St. Lucia tourist business has been established with effect from today," warbles Lexington. The operation may be extended to the U.S. and Germany.

Although St. Lucia suffered severe damage to its most valuable crop, bananas, the fast clean-up means that all but one of its hotels are back in business, electricity and water have been restored and charter operators have restored normal flights.

With what I can only call aplomb, Lexington MD John Spencer has reached agreement whereby Lexington will be paid in kind—not in bananas, but "an agreed number of hotel rooms to be provided by members of the St. Lucia Hotel Association."

New broom

There is a new man in charge of advertising at the Central Office of Information. He is John Bessant, formerly assistant home controller, who has been appointed director of advertising in succession to Owen Thetford, who retired recently because of ill-health.

COI advertising expenditure is currently running at around £25m a year. Boase Massimi Pollitt has won the COI's £800,000 police recruitment account, to go with the £900,000 worth of fire and crime prevention work it already handles.

Poodle tale

Exchange and Mart, founded in 1868 to provide a journal "through which to buy, sell or exchange anything; to get a place, to obtain a servant," is about to launch an advertising campaign aimed at adding on an extra 30,000 copies weekly to a current average circulation of 321,000.

I like these gems from its first-ever issue (May 13, 1868):

"I have a Manilla poodle, age six months, colour black and white, long silky jacket, very lively and intelligent, with dear little ways. Open to offers. Good jewellery preferred."

"I want a good cricket ball. Will anyone say what they should like?"

"Page — Under a butler. Respectable, age 16. St. Bartholomew's Hospital."

"Antimacassar—Tatted, just finished, three-quarters of a yard long. What will anyone offer?"

They don't write them like that anymore.

LOMBARD

Oligopoly is not always bad

BY GEOFFREY OWEN

MANY SUPPORTERS of an active competition policy assume that a market in which there are five or six suppliers with roughly equal shares is preferable to one in which two or three companies dominate the business. They believe that there is a persistent trend towards oligopoly throughout British industry, that the oligopolists have too much power to set prices and that the customer suffers as a result. (This is, of course, quite separate from the issue of aggregate concentration in the economy, which was discussed in this column on August 5th.

Slowing down

A new study of industrial concentration, published today by the National Institute of Economic and Social Research, throws doubt on these assumptions. One of its most interesting findings is that the increase in average industrial concentration was very sharp during the decade 1958-68, but a marked slow-down took place between 1968 and 1973—despite the high level of merger activity in those years.

The share of the three largest enterprises in the total employment of the typical manufacturing industry was 26 per cent in 1935, rising slowly to 29 per cent in 1951 and 32 per cent in 1958, before jumping to 41 per cent in 1968. But between 1968 and 1973 this average concentration measure probably rose by no more than 1 percentage point or so.

While the authors admit that this may prove to be merely a "bend in the trend," the figures suggest that the increase in industrial concentration is not an irresistible, self-reinforcing process. Even without government intervention highly concentrated industries can become less concentrated as new techniques are developed and new competitors move into the market.

One of government's tasks is to secure that the barriers to new entrants are not kept artificially high. But it should not be automatically assumed that an oligopolistic structure is always bad for industrial performance. The National Institute study finds no evidence to support the view that industries with a high level of concentration or with a large increase in concentration tend to have large price increases.

As the authors put it, "there may be oligopolists who tolerate excessive slack and opt for a quiet life, but there are proportionately as many cases of this in the less concentrated industries. If an oligopolist opts for a quiet life, there is a danger that a "thruster" from elsewhere will market a substitute product or make a successful takeover bid." They rightly emphasise the dynamic nature of industries and markets. The degree of concentration is only one of a large number of factors, internal and external to the firm, which can affect efficiency and profitability.

Coming at a time when the Government is seeking to clarify and perhaps to tighten policy towards mergers, the National Institute's careful analysis of the data on concentration is a valuable contribution to the debate. The implication of their findings, the authors believe, is to support the case-by-case approach of the Monopolies and Mergers Commission.

Vigilance

It is very difficult to generalise about the relationship between the structure of an industry and its performance; more case studies are needed to shed light on this issue. From the standpoint of competition policy what matters is how the companies behave. There are sectors where, partly because of the small number of competitors, prices are too high and efficiency too low. That is why a body like the Monopolies Commission is needed to investigate these situations; the vigilance of the competition authorities is itself a factor which influences companies' behaviour. Equally, it is right to take a sceptical view of mergers whose primary objective appears to be a reduction in competition, but not to assume that all horizontal mergers are bad.

* *Concentration in British Industry 1963-75, by P. E. Hart and R. Clarke, NIESR Occasional Paper, Cambridge University Press £10.00.*

English insularity and EEC law

THERE IS nothing like a visit to Brussels for giving one a sense of England's insularity. English lawyers who have set up shop there speak of the interest and excitement of being involved in a developing legal system less formed than our own, where "every case presents a new problem and shapes the legal structure of the Community." British membership, and the increasing use of English lawyers by foreign firms has changed Community thinking.

Unfortunately British companies have been relatively slow to appreciate and enforce their rights. "The Continental businessman," said a solicitor, "will weigh up national and EEC law at one and the same time, whereas the English think of national law first and EEC law, if at all, a long way after."

Combined vote

The EEC Commission, whose huge trifurcated building straddles a hilltop in Brussels, is not just a larger and faultier Whitehall; nor, indeed, analogous to any British institution. It combines legislative, executive and judicial functions, and the British are not happy about some of the effects of its combined role of prosecutor, judge, jury, and executioner in competition hearings before it.

The Commission may be bureaucratic but it is not faceless. Certainly, it has a talent for generating paper on a scale to rival any butter mountain: but its staff are approachable in a way which would be unthinkable in Whitehall. Any company or individual with a commercial problem or a complaint can talk to the appropriate official. The answer may not necessarily be satisfactory, but at least the buck is not passed.

The legal service, under Mr. Claus-Dieter Ehlermann, its director-general, sees its job as helping EEC law to evolve in response to the differing needs and traditions of member states within the framework of the Treaty of Rome. A member of his department compared the state of development of Community law to English common law in its early days.

The strongest impetus for change comes from the rapidly developing commercial scene, and the effect of English common law on a system of codified law which increases with the growing British involvement in EEC law. The last 18 months have seen the opening in Brussels of English barristers' chambers and a new office for a firm of solicitors. Another is expected fairly soon.

Although EEC substantive law differs in many respects from our own—the competition law Articles 85 and 86 of the treaty owe more to U.S. anti-trust legislation than to English law—it is in legal procedure that the common law influence has been felt most strongly. Hearings of complaints before the Commission are investigatorial, without rules of evidence; but the presence of the English with their traditional belief in the client's right to a fair hearing, to his "day in court," has markedly increased their spoken content.

Solicitors and their client firms take happily to the procedure, solicitors normally presenting the case themselves, as an intimate knowledge of their clients' commercial affairs is more useful than forensic skill. Experts such as economists may be present to advise the parties.

One serious criticism of the Commission is that it will not necessarily reveal all the relevant material it possesses, although it demands that the parties disclose more information than would be allowed in the UK. The recent judgment in the *National Panasonic** case did not improve the situation by saying that the commission's power to make "dawn raids" when conducting an investigation did not infringe the European Convention of Human Rights (Art. 8 (1)). British lawyers are also fighting a battle on professional privilege — a lawyer's right not to disclose confidential information about his client's affairs.

The more formal proceedings of the European Court of Justice at Luxembourg have presented greater difficulties. In the early days of UK membership, British barristers, accustomed to presenting cases orally and being questioned by the judge on difficult points, suffered severe cultural shock on encountering a system of long written submissions with no elucidating questions. Now, after seven years' exposure to the British, the court is said by some to be developing a good combination between the two systems—quicker than the British, and more thorough than the Continental. A member of the legal service told me: "An enormous amount of the proceedings now is oral with long, hard questioning by all the judges, and all on good legal points, not merely establishing their national presence."

An English barrister, by contrast, still saw room for improvement. Oral proceedings are still short, he said, and the practice of delivering only one judgment, with no dissenting views, means that the court feels itself even more bound by precedent in practice—though not in theory—than British courts.

An unfamiliar procedure that British firms have been slow to make use of is the power to challenge the validity of acts of the Council and Commission—a power which does not exist in relation to the Westminster Parliament. But Council regulations were successfully challenged in the *Isoglucose*** cases, concerning a discriminatory levy on a chemically produced sugar, and in the *Ball-bearing*† cases, which concerned anti-dumping regulations. Solicitors report that their British clients, after a slow start, are beginning to grasp the importance of this power.

Lawyers and Commission officials alike criticise successive British Governments, and especially the present one, for encouraging the British business community to regard the EEC as an obstacle to commerce rather than a help, with the result that the British are still trailing the field. "Companies are only beginning to understand," said a solicitor, "how many rights they can claim under EEC regulations—they are only told about the annoying restrictions. British firms still get far less out of the Community than they could."

A senior member of the Commission staff, to whom it is axiomatic that the Community exists for the commercial benefit of member states, not the reverse, expressed himself totally bewildered by the UK's capacity for self-inflicted wounds.

A Commission lawyer made a similar point. "In the lamb war," he said, "the farmers should not have sent a truckload of dead sheep to France. One would have been enough. The rest should have been lawyers."

Opportunity

He did not mean dead lawyers, or that Britain should export her legal profession and start again. He was asserting that the refusal of entry of one sheep by the customs would have given the lawyers grounds for lodging a complaint in the local French court—not at Luxembourg—where the French he declared, as signatories to the Treaty of Rome would have had to uphold any judgment. "As it is," he said, with a kind of wondering despair, "the French are laughing and the English farmers look fools."

* *National Panasonic v. Commission*, 136/79. Judgment June 26, 1980 (unreported).

** *Isoglucose* cases, 101/76, 103/77, 125/77, 145/77. Judgment Oct. 1978 (unreported).

† *Ball-bearing* cases, 113/77, 118/77, 120/77, 121/77 [1979] C.M.L.R. 257. Judgments March 29, 1979.

BUSINESS AND THE COURTS

BY ANN MOORE

Sea Pigeon flying high

RACING

BY DOMINIC WIGAN

SEA PIGEON should, on all known form, master the Newmarket four-year-old, Shaftesbury, today.

He made the task of conceding 30 lb to Shaftesbury, the subsequent Tote-Ebor winner, in the Vaux Breweries Gold Tankard, at Redcar, a month ago, look ridiculously easy.

Sea Pigeon meets Shaftesbury on a stone better terms as he attempts to gain a fourth victory over York's one-and-three-quarter miles Ebor course in the Harrison "Drape" Stayers Stakes.

Although it is probably true to say that the yielding ground on which the Vaux Gold Tankard was run may have been against Michael Stoute's charge—a heavily backed favourite—Sea Pigeon must be expected to win on these terms.

In a race in which tactics will play a significant role, I expect Jonjo O'Neill to hide his time. Shaftesbury is likely to be driven for home a long way out by Mark Birch.

The only other runner, Lochranza will help to make matters interesting off 7 st 7 lb.

Last time out Lindsey Charnock's mount ran Dutch Treat to one and a half lengths when bidding for his fifth course and distance success in the one and a half miles Great Yorkshire Handicap. Nevertheless, Sea Pigeon is an automatic selection.

Although Our Home made light of her task when finally opening her account in Goodwood's Gordon-Lennox Stakes I doubt her relishing a struggle. Even Lester Piggott's handling is unlikely to see her home in the Strensall Stakes.

Here, a far better prospect looks to be Elisheba. This beautifully bred chestnut by Nonoalco out of the Sir Ivor mare, Ivory Lady, has not run since "blowing up" when favourite for Epsom's Princess Elizabeth Stakes.

However, she has been catching the eye in recent home work and if, as stable confidence suggests, she is back to her best victory seems likely.

For a handicap with £12,000 added prize money the Playboy Bookmakers Sprint has attracted only a moderate field. But, what the event lacks in quality it makes up for in quantity. It is difficult to find any among the 14 runners without some sort of a chance. The tentative vote goes to the improving Flower.

YORK

2.00—Mills High**
2.30—Flower
3.00—Sea Pigeon
3.30—Bustomi*
4.00—Elisheba***
4.30—Broomstick Corner

ENTERTAINMENT GUIDE

OPEN AIR REGENT'S PARK. CC. S. 486 2431. Shaw's ANDROCLES AND THE LION. Evgs. 7.45. Mat. Sat. 2.30. Last week.

THEATRE ROYAL, Drury Lane. 836 8108. S. Denis Quilley, Sheila Hancock. SWEENEY TODD. Broadway Musical—winner of 8 Tony Awards. Evs. 7.30. Mat. Wed. and Sat. 2.30. Group sales Box Office 379 6061. Seats from £2.52.

MATHAF GALLERY, 24 Motcomb Street, London, SW1. 235 0010. Retrospective exhibition of watercolours by A. Lamplough. 1st to 15th September.

THACKERAY GALLERY, 18, Thackeray St., Kensington Sq., W8. 937 5883. SUMMER EXHIBITION—PART II. Until 22 September.

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 1.30 pm Mister Men. 1.45 News. 4.13 Regional News for England (except London). 4.15 Play School (as BBC-2 11.00 am). 4.40 The All New Popeye Show. 5.00 John Craven's Newsround. 5.10 Young Explorers. 5.35 Paddington.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Farnborough 80—Raymond Baxter reports from the International Air Show.
7.20 Top Of The Pops.
7.55 Blankety Blank.
8.30 Yes Minister.
9.00 News.
9.25 Mackenzie.
10.55 All About Books with Russell Harty.
11.30 The Sky At Night.
11.50 Weather, Regional News.

All Regions as BBC-1 except as follows:

BBC Cymru/Wales—5.55-6.20 Wales Today. 6.55-7.20 Heddiw. 11.50 News and Weather for Wales.

Scotland—1.25-1.30 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.50 News and Weather for Scotland.

Northern Ireland—4.13-4.15 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.50 News and Weather for Northern Ireland.

England—5.55-6.20 Look East (Norwich); Look North (Leeds, Newcastle); Look Northwest (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School Story.
11.25-12.45 pm; 2.15 Trades Union Congress from Brighton.
4.50 Open University.
6.55 Network.
7.25 Mid-Evening News.
7.35 Reputations: "Richard Crossman: Chronicler Of The Cabinet."
8.15 Small World.
8.25 The Band of Her Majesty's Coldstream Guards with Rhythm on 2.
9.00 Leap In The Dark.
9.30 Call My Bluff.
10.00 Moving Pictures.
10.35 Cartoon Two.
10.45 Newsnight.

LONDON

9.30 am Mark Chagall. 9.55 Animated Classics. 10.40 Wild Canada. 11.30 The White Stone. 11.55 Barney Google and Snuffy Smith. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 For Maddie with Love. 2.00 Sports Special: racing from York and Golf—the 3rd European Open Championship. 4.15 Little House On The Prairie. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Battlestar Galactica.
7.30 Spooner's Patch.
8.00 Benny Hill.
8.30 TV Eye.
9.00 Best Sellers: "The Dream Merchants," part 2.
10.00 News.
10.30 Best Sellers: "The Dream Merchants" (continued).
11.15 Lou Grant.
12.10 am What The Papers Say.
12.25 Close: "Sit up and listen," with Gart Hewitt.

All IBA Regions as London except at the following times:

ANGLIA

9.30 am Gardening Today. 10.00 Rocket Robin Hood. 10.25 Friends of My Friends. ... 11.50 Cartoon Time. 12.30 pm The Entertainers. 1.20 Anglia News. 4.15 Pipet and Friends. 4.20 Tarzan. 5.15 Take My Wife. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.15 Bygones. 11.15 The Cinderella Syndrome. 12.05 am Police Surgeon. 12.35 The Living Word.

ATV

9.30 am Gardening Today. 10.00 Stars on Ice. 10.25 The Butlin's Grand Masters 1980 Darts Championship. 10.50 Chopper Squad. 11.40 The Undersea Adventures of Captain Nemo. 11.45 Here Comes Mumfie. 12.30 pm The Practice. 1.20 ATV News. 4.15 The ATV Thursday Picture Show: "Rogues of Sherwood Forest" starring John Derek. 6.00 ATV Today with ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 11.15 ATV News. 11.20 The Guinea Pig Club.

BORDER

9.35 am Gardening Today. 10.00 Border Journey. 10.25 Thingummyjig. 11.12 Export Scotch. 11.40 Fangface. 1.20 pm Border News. 4.15 Salvage 1. 5.15 University Challenge. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 11.15 Soap. 11.45 Stars on Ice. 12.15 am Border News Summary.

CHANNEL

12.30 pm The Entertainers (Tom Paxton). 1.20 Channel Lunchtime News, What's on Where and weather. 6.00 Channel Report. 7.00 The Monkees. 12.28 Channel Late News. 11.15 Soap. 11.45 Pro-Celebrity Darts. 12.10 am News and weather in French.

GRAMPIAN

9.25 am First Thing. 9.30 Gardening Today. 10.00 Border Journey. 10.25 Thingummyjig. 11.20 The Export Scotch. 11.45 Cartoon Time. 12.30 pm Stars on Ice. 1.20 North News. †4.15 Crazy Comics: "Bonnie Scotland" starring Laurel and Hardy. 5.40 Police News. 6.00 North News. 6.10 Anne and the King. 7.00 Mork and Mindy. 11.25 Reflections. 11.30 The Guinea Pig Club. 12.20 am North Headlines.

GRANADA

9.30 am Children of the World. 9.55 The Outsiders. 10.50 Look at Life. 11.00 Sesame Street. 12.30 pm The Allan Stewart Tapes. 1.20 Granada Reports. 5.15 University Challenge. 6.00 Granada Reports. 6.30 This Is Your Right. 7.00 Emmerdale Farm. 11.15 And the Band Played On. 11.45 What The Papers Say. 12.00 Jack on the Box.

HTV

10.00 am Gardening Today. 10.30 Moynihan. 11.20 George Hamilton IV. 11.50 Cartoon. 12.30 pm Against the Wind. 1.20 HTV News. 4.15 Salvage 1. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Barney Miller. 7.0 Emmerdale Farm. 12.28 HTV News. 11.15 Have Girls Will Travel.

HTV Cymru/Wales—As HTV West/HTV General Service except: 12.00-12.10 pm Ffalabalam. 4.15 The Latchkey Children. 4.45 Ser. 5.15-5.20 Cartoon. 6.00 Y Dydd. 6.15-6.30 Report Wales. 11.15-12.10 am The Loners.

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

(S) Stereophonic broadcast
‡Medium wave

RADIO 1

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.32 Simon Bates with The Golden Hour—Part 1: 1964. 10.32 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.32 Simon Bates with The Golden Hour—Part 2. 3.32 Peter Powell. 6.32 25 Years of Rock. 7.31 Mike Read. 10.02 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

RADIO 3

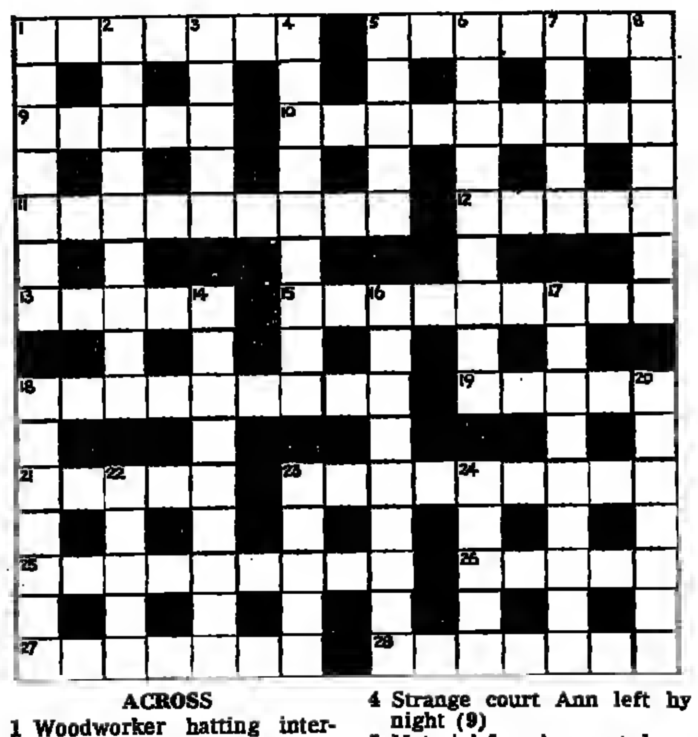
RADIO 4

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 4,365



ACROSS

1 Woodworker batting interrupts speaker (5, 2)
5 Modern idol appears on father's pitch (3, 4)
9 Turn back to piano during Scots dance (5)
10 Links correspondence with protective clothing (5, 4)
11 Poet who wrote part of Bible with pen (4, 5)
12 The French ram finds relaxation (3, 2)
13 Orthodox channel (5)
15 Being up to the tart standard is so pleasant (4, 2, 3)
18 Chance to join one friend in a particular way (9)
19 Old priest takes note of cream (5)
21 Bell ringing gives the GLC an unorthodox appearance (5)
23 Inflamed individual getting kept in took action (9)
25 Swelling out reckoning still to be settled (9)
26 The first of two beheaded marine creature (5)
27 Letting 10 can disturb youth leader (7)
28 Stones parent taking boy by rail (7)

DOWN

1 Haulage contractors belonging to the president (7)
2 Meaning one in France to beg (9)
3 Salvation Army cut off by county (5)
4 Strange court Ann left by night (9)
5 Material for piano put down (5)
6 List of doctors willing to join quiz (5, 4)
7 Turning up skill it could be characteristic (5)
8 Soldiers left end of church to fall back (7)
14 Decrease in mortality rate is on the wane (5, 4)
16 Lament to turn over key before morning to fern for instance (9)
17 Tips cbap gets as director of traffic (9)
18 Get rid of objection to old instrument (7)
20 No chicken could possibly yell red ruin (7)
22 Tired of having nobody excluded (3, 2)
23 Non-clericals have tail twisted before end of day (5)
24 Key defeat of Polish (5)

Solution to Puzzle No. 4,364

THE ARTS

Lyric

Taking Steps

by B. A. YOUNG

Alan Ayckbourn has set his new comedy in three rooms simultaneously, a sitting-room, a bedroom and an attic. The connecting staircases have to be acted by the players when they go from one floor to another: hence, presumably, the title, from which you may deduce that there is none of Mr. Ayckbourn's social commentary in tbis one. What we have instead is a howlful of useful ingredients which Mr. Ayckbourn stirs round with his magic fork until they make a happy comic omelette.

Here are the constituents: take one good aolid young man (*unexpectedly called Mark Boxer*) who becomes so boring when be talks about his ambitions that he sends people to sleep; his sister Elizabeth, married to a wealthy husband, but a compulsive bolter; Roland, her huaband, on whom Dinsdala Landen lavishes a whole boxful of comic husiness; Kitty, Mark's fiancée, another bolter with the additional weakness that she has *sexual fantasles*; a big house of the Charles Addams school, haunted by the ghost of a prostitute who used to ply her trade there; Leslie, from whom Roland is to bny the house; and Tristram, a yonng solicitor with a speech impediment that comes and goes. These might well be the constituents of a serious piece by, say, J. B. Priestley; but the pudding *Mr. Ayckbourn* whips up from them turns out rather sbapeless, with the laughs coming when they happen to come rather than after a deal of preparation.

Langhs there are, in plenty, mostly in Dinsdale Landen's part. He has a fine outburst of hysteria when be reads his wife'a farewell note; he makes a speech to tbe workers at bis hucket-factory when he is under the influence of *his wife's sleeping pills*; he has a nice variety of facial tics, gracenotea to his conversation.

Tha others are less well served. Tristram and *Kitty* have the same inability to end their sentences, funny when Michael Maloney and Wendy Murray do it by themselves, not so much when they confront each other. Nicola Pagett's part as Elizabeth *allows* her to exhibit ber own generous charm and a couple of galumphing whirls at the ballet, at which sbe insists to everyone she earns her living, but not mucb else. Paul Chapman as her brother is the straight man. They all make the most of walking up and down the imaginary stairs in Alan Tagg's not very pretty set, in which the three rooms teasingly overlap. But I oever felt a sense of the scrupulously organised construction that characterises Mr. Ayckbourn at his best.

The director is Michael Rudman.

Leonard Burt

Dinsdale Landen and Nicola Pagett

Record review

Rising pianists, recent music

by DAVID MURRAY

Brahms: Piano sonatas opp. 1 and 2. *Krystian Zimerman.* Dentsche Grammopbon 2531 252.

Haydn, Mozart, Beethoven and Mendelssohn: Variation-sets for piano. Lydia Artymiw. Chandos ABR 1013.

Schubert/Liszt: Song transcriptions for piano. John Bingham. Meridian E77019.

Prokofiev: Sonata No. 8, op. 84. Ten pieces from "Romeo and *Juliet*," op. 75 Andrei Gavrilov. EMI ASD 3802.

Ravel: Piano concerto in G. Piano concerto in D for the left hand. Jean-Philippe Collard with Lorin Maazel and the Orchestre National de France. EMI ASD 3845.

Bruno Maderna: Quadrivium. Aura Biogramma. Giuseppe Sinopoli and the Symphony of the Norddeutschen Rundfunk. Deutsche Grammophon 2531 272.

Luciano Berio: Coro. The composer and the Chorus and Orchestra of the Kölner Rundfunk. Deutsche Grammophon 2531 270.

None of the recent music is played bere by the rising pianists, wbose explorations are concerned with the past. Of these, the most beroic resurrection is Krystian Zimerman's *triumphant* rendition of the early Brahms sonatas, so powerfully persuasive as to prompt a new evalnation of the muaic. The sonatas have always been recognised *as works of superior* craftsmanship and energetic passion; the question waa wbether thesa virtues went fully hand-in-glove in the writing. Since both sonatas, and particularly the first, are not only technically demanding but exceedingly taxing, sustained performances that uphold their dramatic structures are few and far between. With colossal technical *dispatch and* boldness, Zimerman plays each *as if in one* great concentrated sweep. They are breathtaking performances.

Lydia Artymiw, a prizewinner at Leeds two years ago, offers distinctive playing in less muscular music, a most imaginatively chosen quartet of classical variation-sets. Perhaps the Mendelssohn *Variations sérieuses*, op. 54, are not strictly speaking "Classical," bnt they are beautifully and carefully made, and Miss Artymiw plays them with all dne sensitivity as well as fleetness and period hrilliance. The other sets are the well-known F minor Variations of Haydn, *Mozart's* 10 Variation on "Unser dummer Pöbel meint" from Gluck's *Pilger von Mekka*, K. 455, and Beethoven'a amhitions op. 34 Variations. The opportunity to trace the development of the variation-form itself is fascinating, and Miss Artymiw'a individnal personality shines througb all the music.

Thougb John Bingham's record of Liszt transcriptions of Schubert *Lieder* appeared many months ago, it deserves, a late notice not only for his impressive skill at the keyboard, hnt specially for the delightful freedom he allows himself — absolutely rightly — in the music. Strict, score-bound playing wonld lose the point of these fanciful embroiderings, but it ia rare for a British pianist to be heard enjoying himself as Bingham overtly *does* bere, creatively and to the point. I am less taken with Andrei Gavrilov's new Prokofiev record: bis wilful virtuosity in the Eighth Sonata often renders its anxious melancholy thin and brittle — *Mark* Zeltser's recent CBS performance, no less virtuosic, takes five minutes longer and is mucb more searcbing — and the "Romeo and Juliet" *transcriptions*, very plain affairs whicb Gavrilov succeeds in making sound like genuine piano-music only intermittently, are a mere makeweight.

Jean-Philippe Collard is fault*lessly stylish* in the two Ravel concertos. His full, cultivated piano sound goes with a reticent manner; one might feel that the Gershwinesque second subject in the opening movement of the G major concerto is too coolly struck off, or that the great piano entry in the left-hand work finds its grand manner receding too quickly into a private one. But hoth readings are so well-proportioned as to make impressive wholes, and Maazel provides beautifully *soigné* orcbestral contributions: in fact the orchestral part of the two-band concerto bas probably never heen so well *captured* on records, with some outstanding orchestral solos.

Though Bruno Maderna (1920-1973) was a composer-conductor of *great gifts, and* one whose influence—especially practical—in postwar music was very considerable, be has not heen generously represented on records. He wrote above *all* for the ear (which was not always true of his contemporaries, even the hest-known ones) and was disinclined to produce fasbionable analytic guides to hia pieces; it was easier for critics to write learned dissections of the work of more self-advertising composers. Tbe new DG performances of three of his orcbestral pieces—especially the lovely *Aura* of 1972—are delicately articulated hy Giuseppe Sinopoli, another composer-conductor, and richly recorded. Maderna's gentle, baunting sound-world, at once bighly personal and walcoming to *creative* contributions by the players, comes lyrically to life.

Tbe deliberately generic title of Luciano Berio's *Coro*—"Chorua," simply — indicates not a massive cboral exerclae, but a far-reaching study in the relations between folksong, individual voices (multilingual) and big, sonorous blocks of voices. Among Berio's pieces it most resembles the "Folk Songs" made famous by Cathy Berberian, multiplied and extended in many directions, douhled and varied hy many instruments and held together by a thread of Pablo Neruda text. It is a sumptuous tapestry, the sound properly lifelike bere and close-to—on good equipment, an involving experience is guaranteed.

Lyric Hammersmith Studio

The Boy's Own Story

A goalkeeper stands between his posts, confined by the white rectangle of *his six yard area.* He has known former glory in tbe First Division with "*Town*" and subsequently with "City," his *net* a *ravaged* testimony to the bombardment over the years of Charlton, Best, Ron Davies, Alex Young, Francis Lee and the rest. He is now reduced to the status of player-coach for a Sunday League side and fantasy re-runs of Banks' miraculous save from Pelé in the Mexico *World Cup. For* a paranoid lonar brought up as a foster *child*, unloved even hy his own defence, the life of a disappointed goalie with a captive audience constitutes an ironic sense of vocation.

Although Peter Flannery made a great impression on me with *Savage Amusement* at the Warehouse two years ago, he has failed, as yet, to follow up and conaolidate. This one-man piece also datea from 1978 and is another advertisemant for a rich talent. It does not relate to the European existentialist tradition reflected in Peter Handke's short novel, *The Goalie's Anxiety at the Penalty Kick.* Rather, it deals witb the brutal world of modern professional soccer through the moving story of an imaginative Individual crushed by the pious apologists for the virtues of team spirit. Perhaps, at the end, Flannery comes *closer to* Handke than you would expect.

The narrative is interspersed with cringing radio commentary, disastrous confrontations witb demanding Scottish trainers, and impromptu displays of balletic acrobatics. All this is managed in a performance of *considerable* skill hy Peter Sykes. Especially good is bis description of hollow victory in a League Cup Final and, on the way down, a dream-like reconstruction of one of his hest games, played against Charlton Reserves *in* ao *empty* Valley.

We are not really invited to speculate as to which "Town" tbe goalie rapresented—among Ipswich, Huddersfield *and* Northampton, I would favour the latter (who briefly visited the First Division in the mid-60s). But Mr. Flannery, obviously a buff, should know that West Ham were not Cup holders in the seaaon of 1965-66 (unless he is referring to the Cup-Winners Cup). The Hammers heat Preston in May 1964 and *therefore* held the Cup for the season of 1964-65. I rememher my first Wembley outing as vividly as Mr. Flannery's goalie remembers his. . . .

MICHAEL COVENEY

Edinburgh Festival concerts

The Ruin / BBC Northern

by RONALD CRICHTON

Whatever gastronomic misadventures you suffer in Edinburgh, you won't starve in the concert halls. The second festival week brougbt a spread of concerts by front-rank performers, each programme with one or more points of interest. At The Queen's Hall last Wednesday Nicholas Maw's *The Ruin*, a sizeable new work for solo born and double choir commissioned by the BBC, was performad by the BBC Northern under their conductor Stephen Wilkinson. Jonathan Goodall was the valiant horn-player whose profusaly decorated line turns, twists, probes and burrows between the two blocks of choral sound.

The poem (translated from the Anglo-Saxon hy Michael Alexander) is about decay and disaster in a barbaric age. The appeal *of the central image is* understandable, bnt since the alliterations have unfortunate Wagnerian undertones, it is as well that Maw has concentrated (to powerfully sustained effect) on the mood of heroic lament rather than set the words with the abaolute syllabic clarity used by Williamson in his *Symphony for Voices*—heard earlier in the same concert. *Maw's* choral *writing* is not extreme, but it demands (and received) great stamina and reliable musicianship—a tempting new challenge for this country's many small and expert vocal ensembles. This meaty programme also included the brief but massive *Fest und Gedenksprüche* of Brahms.

Mahler's Seventh, the odd-symphony-out of the canon, made a persuasive bid for admittance to the fold at the Usher Hall on Friday. Klaus Tennstedt and tbe London Philharmonic made a great deal of sense of a work that can seem to fall apart. The reading, *serious* but not solemn, was right for a symphony comparatively free of cosmic strivings, with Mahler if not langbing outright at least smiling ruefully at his blacker feelings. The impression, more borizontai than vertical, of *growth* and sense of direction right through to the end, was more important than incidental roughnesses and skimped details (the mandoline cutting through, tbe guitar harely audible). The two nocturnes and the ghoulisb scherzo between them were in the least opprobrious sense of the word immensely entertaining.

The Leipzig Gewandhaus Orchestra, gratefully remembered for splendidly robust playing a few years back, gave two concerts under Kurt Masur. The second (Usher Hall, Sunday) opened with an invigorating *Ruy Blas* overture, a Leipzig work written when Mendelssohn was the Gewandhaua conductor, aod included Prokofiev'a Sinfonia Concertante for cello. *The soloist*, Natalia Gutman, was making her British debut—commanding tone pushing out right above the orchestra, pleoty of attack, some uocertain intonation in the middle range.

Not eveo Rostropovicb, one of Miss Gutman's teachers, has made out a consistently strong case for this much-revised work in which a few oases are *separated* by large tracts of musical scruh. Sad that the time needed for revising the score five times was not used by Prokofiev for a new concerto. The Brahms fourth symphony after the interval had marvellous things—the majestic, sighing tendernesa of the opening, the cockle-warming grandeur of string tone in the alow movement (what a foundation tbe Leipzig hasses provide). But aome slightly sour woodwind tuning and a sbortfall of exuberance in the scherzo just prevented this being tbe wholly admirable performance one hoped for.

There were gaps in the circle at tbe Usher Hall—no doubt if tbe cellist bad been a *familiar* star pianist and the Mahler symphony a safe one, the seats would have been taken up. But John Drummood is right to keep the programme arteries from hardening. One thing the public, whether it comes from near or far, has realised is the quality of the morning cbamber concerts at the Freemasons' Hall. Friday's recital by Sarah *Walker and Roger Vignoles* was entbusiastically full. Excellent Wolf and Ives, even better Schumann (the Maria Stuart songs) and Dehussy (*Bilitis* and *Trois Chansons de France*).

Albert Hall/Radio 3

Francesca da Rimini

At the first of the three Proms only that remain to him (the other four were lost in the musicians' strike), Rozhdestvensky gave London its second chance this year to hear a concert performance of Rakhmaninov's onaact opera *Francesco da Rimini.* The piece is hardly a neglected gem: a curious byhrid, first produced at the Bolahoy in 1906, but ill-suited to the atage (the character is more that of an extended symphonic poem with voices than operatic), and formally unhalanced (before the *three* solo protagonists have sung a note, the Prologue bas taken up a third of the total length of the work), with a weak lihretto by Modest Chaikovsky.

But it has been all the same well worth the revival. Ronald *Crichton remarked* here last January on the gratefully wide ranga of the vocal writing: its elegance and fine, ardent sweep; the delicacy of its pointing; the firmness, taken *section* by section, of its contour—if only Rakhmaninov bad found himself, and had been better able to control, a securer dramatic frame! As it is, the *stirring* pages, as they occur, are frequent enough to become dramatic reference points themaelves: the choral wailing of lost souls, underpinned by instrumental glints of hell, of the Prologue; the orchestral interlude, exciting and beautifully textured, between the two parts; Francesca's song of Paradise—here most sweetly and powerfully delivered by Alison Hargan; and the climax of the hour, virtually the *raison d'etre* of the score itself, a tumultuous love-duet worthy of the lushest Italiao *verismo.*

And worthwhile *especially* in such a dedicated and rousing *performance* as the BBC Symphony Orchestra gave for Rozhdestvensky (and as it had also earlier of Shostakovich'a first symphony) — every colour alive, every pattern interlocked and graded with the quick and concise, but never precious, working we are now accustomed to (and long may it *last*) in that partnership. The Paolo of John Mitchinson ably matched Miss Hargan's soaring flight. John Shirley-Quirk's Lanceotto was strongly sung—though I suspect the music really calls for an assumption still more darkly brooding. Marius Rintzler and Kenneth Bowen both gave very decent accounts *respectively* of the parts of Virgil and Dante—both somewhat engulfed (in the nature of thinga) by their orchestral pit of fire.

DOMINIC GILL

Television

Breakfast in America

by FRANK LIPSIUS

Whatever its fresb high-minded ambitions, the winning *franchise* for British morning television would be remiss in ignoring a generation's worth of American experience in the field. *The Today Show*, NBC's morning programme that began in 1952, has not changed much in 28 years. It used to *feature a* host with avuncular maturity, and now the fashion is to have young, all-American faces before the cameras. Otherwise, it looks the same as it always did, with its mix of news, gossip, interviews and other *subjects* generated by the news of the day.

For most of the 28 years, *The Today Show* was the only morning programme with any general appeal. Then, five years ago, ABC decided to start a morning show that would look like NBC's, hut beat it in the ratiogs.

Formidable a challenge as that might seem, especially when mornings are assumed to he so dominated hy habits that die hard, this spring the ABC show, called *Good Morning America*, did overtake *The Today Show* in popularity. No American television show likes to be number two, hut *The Today Show* did have the consolation of increasing the size of its audience, though not as fast as *Good Morning America.* When it had the mornings to itself, *Today* scored an average 4 rating. Now *Today* has a 5 rating, while *Good Morning America's* is 5.5.

Superficially the shows are indistinguishable. Besides the glib host, their news includes feature segments, the day's weather, and some kind of bealth *or cooking tips. The shows* also feature guests who want publicity for their latest book, discovery or commercial product. Newsworthy subjects are always sought, with Good *Morning America* scoring a recent conp when it got an interview with Sugar Ray Leonard only three bours after his unsuccessful title hout against Roberto Duran.

Today has faced competition in an array of formats over the years. CBS now presents an hour's worth of news and then a children's show that anticipates the kind of programming all the channels adopt after *Today* and *Good Morning America* finish their two-bour broadcasts at 9. *Today's* mix has the advantage of repeating all the important information for those who tune in at *different times* to fit their own schedules. Missing the beginning of an hour newscast means foregoing the most important news items altogether. Not surprisingly, the only show that has made inroads against the NBC format is one that flatters it by imitating it.

Squire Rushnell, vice-president of children's and early morning programming at ABC, has engineered the growing success of *Good Morning America* since taking charge of the show in 1978. He draws clear *distinctions* between his sbow and *Today*, though their invisibility to the naked eye reveals more of tbe similarities than the differences required of successful morning programming. *Good Morning America* bas instituted theme weeks, one of the latest of wbich celebrated Father's Day with a different segment each day, culminating in the crowning of a best American dad live io front of ABC cameras. Themes give the show a way to promote itself in advance of broadcast without *sacrificing* the timeliness that would prevent most forms of advance publicity. The most successful theme was a week of James Cagney interviews. The famous old actor had not given an extensive interview for over 20 years. The hour and a-half conversation was divided into four ten-minute segmets shown over the course of one week. By revealing that be picked up his famous hunch-shouldered gesture from a pimp aod that his early *gangster films* used real bullets in the shoot-out scenes, the actor gave tbe show its greatest ratiogs boost—and in fact inspired tbe idea of other themes, which have now become a *Good Morning America* staple.

"Hopefully," said Mr. Rushoell, revealing the essence of the programme, "every segment will he convertible into the viewers' every day life. It will help make the small talk *for* the rest of the day."

Because morniogs are so much a matter of habit, Mr. Rushnell thought he could predict the kind of audience a Britisb morning programme would attract. He assumes it would follow the same pattern that exists in America, where the audiences are dominated two to one by women. The largest audience aegment is among women 18 *to 34*, then women in the next age group, 34 to 50. Next come men 18 to 34, then women over 50 and fioally men over 34. Mr. Rushnell considers the configuration a testimonial to the adaptability of young females.

Mr. Rushnell attributes the success of *Good Morning America* to "out-hustliog and out-innovating" *Today.* What he means is getting on top of the newa aod putting the people who are "hot" in front of the camera. Satellite hook ups make the whole world accessible. People are rushed to the studios of ABC affiliates round the country in order to get them on air. A staff of 70 does the research to make the interviews worthwhile as well as write the shows and keep them flowing smoothly. In spite of the extensive research, Mr. Rushnell could not tell me bow many people have heen awakened from a good night's sleep hy tbe show's aggressive staff, hut the number could not compare to its 5m watchers who can now prop their eyelids open with television instead of caffeine.

'Good Morning America' host David Hartman outside the White House

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An offer we must refuse

THE TUC was in characteristically Bourbon mood yesterday in its discussion of incomes policy. Wage restraint is not, according to our trade union leaders, an economic issue at all; it is simply the price that the leadership is prepared to discuss paying to any politician who will go through the motions of treating the unions as political partners. It is simply the old story we have heard in every economic downturn for well over a decade. The more the unions find themselves faced with recalcitrant realities in the labour market, the more they hanker for a political role.

Solemn

It is time to say clearly that the pretensions are hollow and the practice largely a sham. It is an accident of the internal politics of the Labour Party that the leadership feels compelled from time to time to curry the trade union block vote as a counterbalance to the wilder ideas of their constituency activists. This leads to solemn and binding undertakings on both sides, which both sides, yielding to the different pressures acting on them, sooner or later ignore.

When the Conservatives are in power, no such meaningless compact is possible. When a Conservative government is bent, like the present one, on reducing the privileges which enable some unions to enforce economically short-sighted bargains on unwilling employers, the discussion of restraint policies is simply irrelevant. The Government is not appealing to the TUC for a compact; it is appealing to union members for common sense.

Public opinion

The pretensions of the unions to a shadowy partnership in government are in any case unacceptable. The unions are only by constitution democratic institutions. If Parliamentary elections were settled on a minority vote of activists, there would be calls for a new Reform Bill. In practice the unions are organised pressure groups whose control is largely oligarchic. It is because this system does not work very well that organisations of shop stewards have wrested so much of the effective bargaining power from the official organisations. The power of the leadership depends on its effectiveness; every employer knows the union leaders who can strike a bargain which will stick, and those who simply tend to obstruct an agreement with the shop floor.

Some of the shop-floor leaders show a better understanding of their long-term interests than their leaders in Brighton. They know very well that the level of real wages has something to do with the level of output and sales, and are enjoining realism on their members. Sometimes the members enforce it: the public opinion polls favouring wage restraint show that the relation between wages, inflation and employment is better understood among the public at large than it is in the political rhetoric of the unions.

If there is a quid pro quo for responsible conduct of labour relations, it is more in the right to be consulted about employers' policies than about Government policy. The most encouraging result of the present economic crisis is that more and more of those who bargain are coming to realise that their own welfare depends on the welfare of the enterprises in which they work.

Real incomes

None of this means, of course, that the Government is pursuing entirely correct policies, which would lead to dynamism and growth if only wage bargainers could be persuaded to ignore the past erosion of purchasing power, and settle within the official monetary targets. In terms of competitiveness and activity, a balance between fiscal and monetary policy which has driven up interest rates and the exchange rate, has more than a little to do with the level of real wages.

However, it would hardly be reasonable to expect the trade union movement to protest at Government policies which have protected real incomes at the expense of profits, and are likely to continue to do so until a better policy mix is achieved; the TUC's "alternative strategy," rightly rejected by Labour governments in the past, would make things worse. The unions should stick to their last. When they are doing something effective about their own problems, they will earn the right to complain about the Government's faults.

China's change of course

THE CHINESE are expert stage managers and there can be little doubt that they are storing up some of the grander moments of drama (including the anointing of the new leadership) for closer to the end of the present session of the country's Parliament, the National People's Congress. But what is already clear is that the experiment of introducing market-oriented policies into the management of China's economy is now to be consolidated and extended nationwide.

There have been several signposts in the early speeches to the Congress from the Minister of Finance and the head of the State Planning Commission of this major shift of direction away from the legacy of Chairman Mao or the Soviet model of a centralised planning system.

Relaxations

Banks through their lending operations will have greater responsibility for the efficient use of funds by industry: central control over State enterprises is being further relaxed to give more weight to decision-making by local managers: a radical overhaul of the tax system is likely to be put in hand which will take into account the increased importance attached to profit in the running of industry: and China's vocal encouragement of foreign investment has now been translated into a fairly generous 33 per cent tax rate to entice foreign concerns to invest in China. Apart from the tax changes, these measures are not new in themselves.

But the fact that Peking feels confident enough to pursue and widen them—at a time when the Government has run into difficulties over excess budget spending, the grain harvest has been poor and inflation is still a problem—reflects the belief that they are working.

It is tempting but misleading to draw comparisons between this economic liberalisation in China and the changes taking place in Poland. The initiative in Poland has come from the workers and focused on the demand for independent trade unions. The Chinese leadership recently cracked down on political dissent and on workers pouring into Peking to air their grievances. In fact along with the programme of economic liberalisation being endorsed by the Congress there is likely to be a draft Bill withdrawing the right to put up the large character posters so prominent last year. The regime of Deng Xiaoping brooks no challenge to the control of the Communist party. Indeed, one of the risks of the economic reforms is that, as in Poland, the modernisation of industry and the emphasis on economic growth could precipitate further political demands unacceptable to the regime.

China, like Poland, is now however striking out into unknown terrain. The Chinese leadership has scant experience of the market-oriented policies they are now adopting—many of the leaders were outlawed to the provinces or in prison in the 1966-75 period of the Cultural Revolution—and the managers called on to implement them have even less. Over the last three years the Chinese have studied the Yugoslav and Hungarian models of self-management. They have witnessed the success of some experiments, as in Sichuan where the new Premier-designate Zhao Ziyang boosted farm output in the province of which he was party boss by encouraging free enterprise amongst farmers. But they have equally seen State enterprises piling up profits as a result of regulated prices and embarking on new investments for which there was scant justification.

Encouraging

It is this type of waste that has contributed to hefty overspending on the budget. The encouraging fact is that the Chinese are increasingly aware of the problems. But the problems seem to grow the more the Chinese probe into them. The catalogue would include continuing energy shortages because oil output is unlikely to increase, misplaced investments at the Baoshan and Wuhan steel complexes which are the heart of their new steel industry, enforced cuthacks on new projects because of shortages of domestic funds or foreign exchange, and the retraining of a bureaucracy brought up under a centralised egalitarian system and lethargic towards further change.

The best hope that the leadership will pull through is that their policies respond more to continuing popular wishes for improved living standards than did Mao's call to revolutionary fervour.

Gloves come off in travel industry battle

Thomson Holidays

The promotional battle in the travel industry looks like being fierce this winter. Arthur Sandles looks at the pitfalls which face the tour operators.

THOMSON Holidays has thrown a large spanner into the British foreign travel works. With detailed work already under way on the shape of the 1982 brochures, Thomson is now promising for next year more destinations and more capacity at—in real terms—lower prices (an average price rise of only 7 per cent).

Against the background of a market that promises at best to be stagnant, Thomson plans a much more aggressive market sales stance. The promotional battle this winter will be a fierce one.

Planning something as vulnerable as holidays so far in advance presents formidable problems. The first of them is the exchange rate, a perennial headache when the pound was sinking and still a cause for anxiety now that it is rising.

Thomson, Britain's largest package tour company, has caused particular problems because it is now two-and-a-half months since most of one of UK's biggest tour operators chewed their pencils and decided on the exchange rate to use for their summer 1981 brochures. The date most of them chose was June 30 and the rates were those appearing in this newspaper on the following morning. The dollar, at that stage, stood at 2.35 to the Pound.

Choosing an exchange rate which has to be valid for 14 months is just one of the decisions the operators face. They can cover some of their exchange risks by forward buying, by writing contracts in sterling (where the supplier is willing to do this), and by encouraging clients to pay their bills a long way in advance in return for some encouragement, perhaps a price guarantee.

Money thus obtained can be moved to the country where it will eventually be spent. At the moment it is tempting to bet on the continued strength of sterling and to keep cash in the UK.

Protecting against oil price rises is impossible, which is why some price guarantees do not include the oil factor.

Choosing a brochure-mix is another problem. Several operators had too much Spain and the Canary Islands capacity this year, particularly in the early part of the season, and most were caught by a sudden upsurge in demand for coach holidays. Greek holidays and the runaway success of American holidays.

It is about now that tour companies start analysing their customer questionnaires in a bid to assess trends in demand for the summer of 1982.

The hard business of contracting comes in the winter months. The contracts are rarely firm. A hotel will allocate a portion of its rooms to a tour operator at a given rate. The more popular a hotel the less likely it is to give all its rooms to one operator or even one nation. This summer saw a fall off in the German market, for example, and hotels which depended on that traffic were in trouble. The operator has first call on those rooms usually up to 30 days before the actual holidaymakers arrive. Then he has to make his booking firm or release the rooms.

It is for this reason it is often difficult to get a late booking—after the 30-day break period the operator has released his rooms and would now have to request them back again, perhaps at a considerably higher price than his original contract stipulated. Overbookings can occur when every operator takes up every promised room.

Rooms are closely matched to airline seats and most of the big operators are using charters on a back-to-back basis. This means that the jets take a full load of holidaymakers out and bring another group back again. Every empty seat on a flight to Majorca is at least a £50 loss, over £100 on holidays to Miami and over £200 on trips to Hong Kong.

Resorts suddenly spring to the headlines when traffic to them justifies this back-to-back service.

Among the British majors Thomson is already considerably larger in charter package tour terms than its rivals. At the last official count of charter licences the next in line were British Airways (with Sovereign and Enterprise holidays), Horizon, Intasun (including Intasun North), Cosmos, Martin Rooks (also a British Airways subsidiary), OSL and Laker, all of whom planned to carry 150,000 people or more on charter holidays this summer.

At the moment the travel business is a buyer's market, so the tour companies are getting good rates from hotels and airlines. All are fearful, however, of a rapid change in that scene. Many therefore indulge in a degree of vertical integration—owning or leasing hotels and aircraft as well as being assemblers of tours.

Involvement in "hardware" carries its own risks—it eventually brought Court Line to its knees — since flexibility is reduced (you cannot cancel hotel bookings if you own the hotel). Most of the bigger companies have some form of investment in hardware—Thomson, Cosmos, Horizon and Intasun all have airlines in their stables. Most, however, avoid allowing the airline to get to such a size that it could drag the company down if the market really collapsed and most insist that the jets fly as much for other operators as it does for themselves.

Profits on these holidays vary wildly, and comparisons are made difficult by the fact that few companies are simply package tour operators—most have airline, hotel or other interests which make the accounts an intriguing if difficult read. Tour operators would, however, generally expect to show a return of between £5 and £10 per passenger carried in their after-tax figures.

Thomson's decision to ignore current market stagnation and go for a much increased market share via a tough sales stance means that some operators may be tempted to sacrifice margins in order to say in the race. For those industry observers who have been predicting a re-run of the late 1960s position, when profits went overboard in the course of a search for growth, this can only mean a confirmation of a pessimistic view of overall financial stability.

It does, however, also mean that 1981 is likely to be a buyer's market—that is, of course, if you are part of the population which has a secure job and a reasonable income.

How long-term planning can come unstuck

Glyn Genin

❛ With an abundance of fuel and a surfeit of seats it is now cheaper per mile to fly from London to Hong Kong than it is to travel by Underground from the Bank to Bond Street ❜

THE OVERALL stability of the travel industry worldwide is remarkable. Things may be bad, but still 1980 is likely to see an increase in the number of people who leave their own shores for foreign ones.

Yet, while the total figures may remain impressive, this surface calm disguises waters turbulent with cross currents. The fact that the British are sunning themselves in Miami does not help the Norfolk Broads boat operator who this summer has seen a 20 per cent drop in custom, nor the Tenerife hotelier who is cutting margins to the bone just to stay in business.

While the statistics may show that there are more travellers than ever, airliners will be flying the north Atlantic this autumn with hundreds of empty seats, underlining the basic problem that tourism is an industry which relies on long-term investment—in airports, hotels, aircraft and ships—and yet is subject to violent fluctuations due to short-term factors.

The aircraft which are now flying empty are wide-bodied jets ordered perhaps years ago to replace archaic 707s and to meet projected surges in demand. The mid-seventies saw an average rise in world tourism of 18 per cent a year, according to the World Tourism Organisation, a rise which dipped to four per cent in 1979—still a rise but alarmingly less than had been suggested when the new aircraft were ordered. This year's growth looks like being much the same.

Nor are the fluctuations simply overall ones. The strength of sterling, for example, and the relative weakness of the dollar in the earlier part of this year, severely distorted the market place.

Meanwhile an abundance of fuel and a surfeit of seats on such routes as those to the Far East have helped produce the remarkable situation where it is cheaper per mile to fly from London to Hong Kong than it is to catch an underground train from the Bank to Bond Street. The question now facing the travel industry is one of how far it should adjust to market fluctuations like this which may only be temporary.

Oil is at the heart of this dilemma. In the fifties and sixties fuel was a relatively minor element in the running of an airline. Today fuel is over one third of many airlines' operating costs compared with 12 per cent in 1972 and 21 per cent in 1977.

The consumer has been protected from the realities of the fuel situation to a large extent by the current overcapacity of airlines and the impact of continued liberalisation of aviation policies around the globe.

The gradual shedding of the many regulations around air travel may have its long-term benefits, and also gives passengers the short-term pleasure of seeing fares cut in the resulting warfare, but there may be some medium-term difficulties. In the U.S. this deregulation is causing considerable pain to the airlines. As Mr. James McGovern, UK manager for Northwest Orient, says somewhat graphically: "I think some of these carriers may indeed go down the tube."

Bleak forecasts for hotel industry

The question is not only about the ability of any particular airline to stay in business, although for some that may be difficult enough. It also concerns the ability to raise enough funds to buy replacement aircraft

Vastly reduced margins may be acceptable for a brief period of shaking out among airlines, but if that shake-out time is over-extended then the problems could become severe.
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In these circumstances a huge question mark is raised over the long-term prospects for such routes as Europe-Far East as far as budget-priced traffic is concerned. No wonder hotel groups have shown little enthsuiasm for plunging into a spate of building to meet the sudden demand. Fortunately while traffic from Europe, and notably the UK, may be well up, the Taiwanese and Koreans are travelling much less, freeing beds for visitors from further afield.

Unfortunately, switches in the market like this cannot always be relied on. Britain, for example, has seen a considerable fall off in American and Arab custom but these visitors have been more than replaced, numerically, by people from Europe.

Unfortunately for the balance of payments, these new visitors are not spending anything like as much as the tourists they have replaced.

The result of all this is that London's hotels especially have been forced to accept price rises which are somewhat below the rate of inflation. Even so, comparisons of figures between now and four years ago in dollar terms, given UK inflation, changing currency values, and altered VAT, are worrying, particularly if you are an American. It produces the unfortunate position of declining margins in a hotel industry whose customers are complaining of being over-charged.

The net result is bleak forecasts from such hotel industry-watchers as Pannell Kerr Forster and Company. "It is unlikely that any real improvement in this situation will occur within the next year," it recently pronounced. "The continuation of the Government's monetarist policies in the UK should ensure that interest rates will support sterling at a high level, thereby reducing the attractiveness of the UK as a *tourist* destination."

If all this sounds a bit too pessimistic, rival consultancy, Greene, Belfield-Smith and Co., puts the case for the optimists. "We still tend to think of a foreign tourist as an American, and ignore the rapid growth in Germans (up 3 per cent), Japanese (up 6 per cent), Italians (up 14 per cent), Spanish (up 20 per cent), Latin Americans (up 27 per cent) etc.

Overall in the British market there is long-term optimism and short-term confusion. Looking deep into the crystal ball the tour companies wax lyrical about prospects for the late eighties and nineties. Market leaders Thomson Holidays are predicting between 15-20m British travellers abroad in 1990. The comparable figures were 5.75m in 1970 and 11m in 1980.

There are rewards still to be won

If this forecast proves to be correct then it spells problems for the British tourism account. Traditionally more Britons go abroad than foreigners come to Britain, but the British spend far less when overseas than visitors to the UK. This year, however, the British Tourist Authority has been predicting tourist income of £3bn, or a 9 per cent rise on last year. This is exactly the same amount as Thomson is forecasting for foreign expenditure by the British. Reports of traffic in the early summer months suggests that the balance is tipping the wrong way and that Britain could be heading for a tourism deficit in 1981.

MEN AND MATTERS

Cheers for cars boos for Carter

Not even the relentless onslaught from the Japanese car industry can mar the razzmatazz which delights America each year as the major motor companies wheel out their new offerings.

Chrysler, bailed out by Uncle Sam to the tune of $1.5bn earlier this year, has been concentrating on the traditional showbiz trappings of the industry—driveouts by Frank Sinatra, parties and T-shirts. And it has my nomination for the most tasteless gesture of the year for its gift to journalists of a cigar and birth certificate announcing the arrival of the new "K" models.

All this seems to reflect the style of the Chrysler boss Lee Iacocca, whose élan has been only partially crimped by an order from Washington not to go overboard with the publicity. One economy, for example, is the absence this year of a New York Press launch.

Meanwhile, Iacocca's former company, Ford, has been steering more for political ground. Philip Caldwell, a chairman colourless by contrast with Iacocca, surrounded himself with congressmen, state governors and the U.S. transportation secretary for the roll-out of the first Ford Escort-Lynx from the company's assembly plant at Metuchen, New Jersey.

Patriotism here from all sides, with Neil Goldschmidt, Transport Secretary, warning foreign car makers that the U.S. was not only going to drive them back into the sea but pursue them in their home markets, too.

But Caldwell, sad to say, appears to have overdone the political back-up. This is, after all, election year, and the rival Governors from New Jersey and New York were quickly into the point-scoring with sartorial jibes and an infantile, labyrinthine wager designed by Governor Hugh Carey to prove that his New York shoe industry had been hit as hard by imports as John Byrne's car makers in New Jersey.

"Now if they could only produce a cheap substitute for housekeeping money as well."

Ultimately, however, Carey fared worst in the exchanges. Recently converted to the Carter faith, and letting the audience know it, he found himself the target of the day's only round of boos, hisses and raspberries.

Big spender

Sluggish though the betting is on the U.S. presidential election, the action perked up briefly in the Playboy betting chain this week. I understand that even the most laid-back of British executives, Victor Lownes, sat up sharply on hearing that one of his customers, with either stunning prescience or money to burn, was off-loading large wads of notes on outsider John Anderson.

The Playboy till rang first on Tuesday when a caller slid £3,000 across the counter in Old Brompton Road for investment on Anderson's nose at 25—1. Lowne's phone rang yesterday after the same man had popped up in Wardour Street, placed the same bet at the same odds and had come back a little while later with a refilled wallet.

After consultation, our profligate punter was offered modestly shortened odds of 22—1 and obligingly raised his total outlay to a nice, round £9,000. Standing to collect £217,000 should his bets pay off, our hero is investing under a pseudonym, although he has described himself as "a millionaire from New York." Lownes, I hear, known for his robust ways, is less flattering.

Late riser

Vitriolic telexes, I hear, are whizzing across the Atlantic over the extraordinary decision by the New York Times to raise the UK price of its Sunday edition by £1 to £4 and the daily by 30p to £1.10.

All the more curious since the increases follow dramatic reductions in June in recognition of the strength of sterling. The double-shuffle, I hear, stems from a new distribution scheme under which the papers are now shipped 800 miles from New York to Chicago before being dispatched to Europe — and will consequently arrive two days after U.S. publication instead of only one.

Distributor Martin-Lavell has warned the paper that it stands to lose its subscribers in Britain, and the journal's London bureau has also chipped in with a demand for an explanation of the changes, which, I am told, "make no sense at all."

Wendell homes in

Mysterious figures, these headhunters, popping up from year to year on the end of the phone asking in confidential tones whether you would like to re-orient your lifestyle into a growth experience situation. Though the offer of a seven-figure salary is rarely far from my mind, it was more in the hope of learning a little more about his trade that I teased one of the game's Independents, Wendell Clough, out in to the open.

Clough is an American with a motor industry and ITT background, settled in England for many years. He is a veteran of two major executive search firms, but decided to set up on his own, he tells me, "so I didn't have to work for the clients who were stinkers."

Clough's "turn" is 30 per cent of the first-year salary of his protégé, for which he reckons to give 60 to 90 days to the job. Nor would his appearance suggest, I ventured, that he, too, is suffering from these recessionary times.

The fact is, reckons Clough, that when the going is good, companies like their executives because they are seen to be presiding over rising profits, while executives like their companies because expansion allows for continuing improvement of job status. But when the going gets tough, not only do promotions become log-jammed, but companies become more ready to buy in brains to make the best of bad times. Which is, reflects Clough comfortably, not at all bad for the headhunters.

Well met

BNOC has entered the philanthropy stakes with a £40,000 donation which will enable Glasgow University to hang on to its collection of Whistler paintings. In a have-your-cake-or-eat-it dilemma, the elders of the university discovered that, to pay for a new art gallery, they would have to sell a fair-sized chunk of its proudest pictures. The Glasgow-based state-owned oil corporation's cash will be matched pound-for-pound by the National Heritage Memorial Fund, virtually meeting the university's £85,000 target.

Vive le sport

Card in a Manchester shop window: "For sale: air rifle, nanny and three kids."

Observer

ECONOMIC VIEWPOINT

The real links between pay and jobs

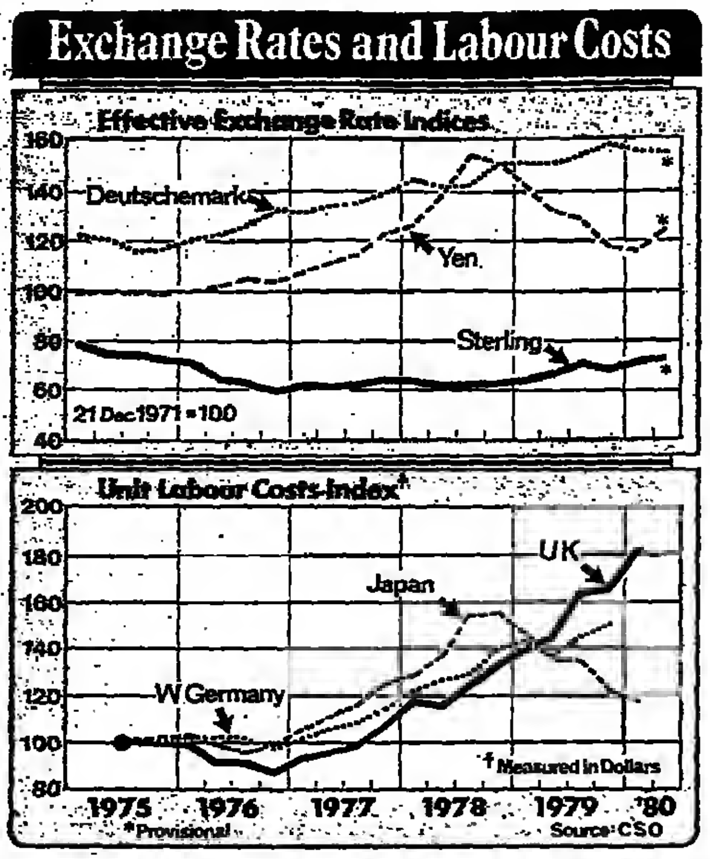
OF COURSE the relation between pay and unemployment is more complicated than ministerial rhetoric would suggest. But before getting lost in complexities, let us not forget the basic relation. The amount of anything bought is related to its price. If the price of oil, or barley, or antiques in the Portobello Road rises then—in given conditions—the amount that is bought falls. This is about the oldest proposition in economics, and the best established.

"It applies also to pay. The higher the level of pay for an hour's work, the lower will be the level of employment. This is true for jobbing gardeners, Harley Street surgeons, journalists, trade unionists in OECD countries or the "workers of the world."

"The level and pattern of wages which will clear the labour markets to avoid excess unemployment will vary with circumstances. No doubt, if the exchange rate were lower or output per man larger, a higher level of wages could be afforded without unemployment. If I were richer I could afford to take more taxi rides or give each driver a higher tip.

Wages and salaries are the price of labour services. Like any other price, they have to move to balance the other forces in the market if surpluses and shortages are to be avoided.

This does not mean that we have to pass by on the other side of the street if developments in world trade do not enable steel workers or textile workers to stay in their past employment at wages to which they have become accustomed. Wages and employment can be bolstered in declining sectors by subsidies from the rest of us, who will have to pay more tax, enjoy fewer government services or pay higher prices.



The initiating force which has unbalanced the labour market could in principle come from many directions. Some would say that it comes from an overvalued exchange rate. But this is simply untrue as a matter of recorded history.

The business community is still too mesmerised by the sterling-dollar exchange rate, which reflects mainly the weakness of the dollar. The much more revealing trade weighted index, measuring the pound against a basket of currencies, has risen since 1977, but by less than its fall in the previous two years. It is, moreover, still more than 20 per cent below the level at which it was fixed at the time of the Smithsonian Agreement in December 1971.

The change that has made sterling "uncompetitive" despite this depreciation has been an adverse movement of labour costs. The German mark has remained "competitive" despite an appreciation of over 50 per cent in the period because labour costs have moved favourably as well as the famous "non-price" factors.

A favourite argument of industrialists who want the Government to "do something" to help them runs something like this: "Labour represents 20 per cent of my costs. Even if these costs were reduced to zero, I would be uncompetitive at the present exchange rate."

There is something badly wrong with a business for which that statement would be literally true. But let that pass. Such arguments reflect the fact that for companies that buy a lot of components or semi-processed raw materials, labour may well be only a small portion of their direct costs. But it enters their costs indirectly, too, via the costs of their suppliers.

To say that some pay levels are "too high" for full employment does not itself tell us why they have become too high; still less does it assign blame.

Marks and Spencer could on this argument say that it is not responsible for the prices and saleability of its products, as the greater proportion of turnover is accounted for by the cost of the goods it sells. But, of course, it does not. It takes a great interest in the cost and quality of the products it receives from its suppliers.

And that is what the better firms are doing throughout industry. They make much less noise than those that are blaming lay-offs on the exchange rate or interest rates. During July about 320,000 people joined the unemployment register, and anyone who tuned in to the radio heard about them virtually lay-off by lay-off and closure by closure. But less was heard about the 280,000 people who left the register to obtain jobs.

There is now a great deal of evidence from opinion polls and elsewhere that workers do see the connection between pay and employment, and are willing to price themselves into jobs. If the Government were to "take off the squeeze" (although there is really no squeeze—it would be a question of printing even more money and borrowing more) or even seem to do so, the new mood of realism would be lost. We would still have all the pain of the slump, but not even a reduction in inflation to show in exchange.

This is the stage at which all past governments have panicked, so that all previous recessions have really been a waste of resources with nothing in return, except a subsequent short-lived boom, followed by yet another slump.

* * *

Now for a few complexities. The main over-simplification in talking about people pricing themselves out of jobs is that it is not clear whether the reference is to real earnings or to money earnings. Since 1977 both have been rising too fast; but the distinction does matter for longer term employment prospects.

Money wages have been rising too fast in the sense that the whole pattern of money costs and prices has been rising too rapidly to maintain employment, given monetary and fiscal policies and the movement of the exchange rate.

All that the Chancellor and the Government can do to promote full employment is to make sure that the total level of demand in money terms—or money times velocity—rises at a reasonable rate.

Successive governments have more than fulfilled their part of the bargain. The goal of a high and moderately rising level of money expenditure as a contribution to full employment is not an invention of the so-called monetarists. It was stated clearly in the Coalition Government's Employment White Paper of 1944 when Keynes was in the Treasury. The White Paper warned that if this expenditure was absorbed by higher pay and prices full employment would not be achieved.

SHARES OF PROFIT* AND INVESTMENT IN NET OUTPUT

Measured by value added

	Percentages 1951-55	1956-60	1961-66	1967-73	1974-78
Profits/value added					
Manufacturing	34.9	32.1	29.8	27.1	20.2
"Private services"	38.7	39.8	35.4	36.4	36.1
Investment/value added					
Manufacturing	15.4	15.5	15.7	14.6	15.0
"Private services"	5.5	7.4	9.9	11.7	12.2

* Including depreciation, but excluding stock appreciation

Source: The Unemployment Policy Discussion in the UK, Maurice Scott, Nuffield College, Oxford

Gross National Expenditure (equivalent to GNP) has increased from £33bn in the first quarter of 1977 to £51.5bn in the same quarter of 1980. Of this 54 per cent rise, nearly half was in the last year. By no stretch of the wildest imagination is this "deflationary."

If this increment is taken in the form of high wages and prices, accompanied by stagnant production and low employment, there is little any "government" can do to preserve jobs. It does not follow, however, that ministers should take refuge in exhortation.

The much more fundamental problem relates not to money wages but to real wages

The figures that matter here are real wages as a proportion of value added. As the remainder of value added consists of gross profits, one can equally look at the profit ratio. The table shows a heavy fall in the profit ratio in manufacturing over the last few business cycles. By contrast, there has been a stable ratio for private services.

The way in which high real wages price workers out of jobs is a fairly subtle one. There is always scope for more or fewer people in, for example, care and maintenance. But the most important effect if wages are too high is that basic production methods will take on an excessively capital-using and labour-saving bias.

The effect of real wages on employment can be a fairly long-drawn-out process. There are some areas, ranging from retailing to gardening, where methods can change quickly in response to relative changes in labour and capital costs. But there are many other areas—in services as well as manufacturing — where technological changes take years. It takes a long time for labour to price itself into or out of work in these sectors.

It is therefore wrong to look for the main effects of real wages on employment in year-to-year changes. The movement is rather from one business cycle to the next. The worrying aspect of unemployment has not been its rise in recessions but its long-term upward drift since the middle-1960s.

I doubt if it has been aggressive union pressure for higher pay, any more than Government financial policy, that has been responsible for the long-term rise in unemployment in most industrialised countries. Partly because of the emergence of newly industrialising countries, partly because of higher energy costs, and partly for other reasons, there has been a structural shift in demand away from the traditional manufactured goods traded by Western countries.

Faced with these structural changes, two responses are possible. One is an active search for the products and services which the West can sell at remunerative prices (newly industrialising countries do something with their export earnings: they do not just hoard them). Another is to accept low real earnings so that traditional goods can be sold against competition.

It is because there has been resistance both to structural changes and to the alternative of lower real wages that British employment prospects have suffered more than those of say Japan, Germany and Austria.

The fact that wages in manufacturing are falling relative to wages elsewhere is one sign that adjustment is at last taking place. It is not an anomaly that workers in service sectors are doing better than those in manufacturing industry, but a delayed response to market pressures.

The changes in both average and relative real wages belatedly taking place are the clue to a restoration of better employment levels in future. A policy reversal now would stop these changes in their tracks and would take a frightful toll of job prospects in the future.

Samuel Brittan

Letters to the Editor

The price of sterling

From Mr. W. Houlihan

Sir,—Excess liquidity in the hands of the oil producers, on the back of over-priced supplies, and because of their logical desire for currency diversification of their portfolios, has created a special problem for the UK Government.

Policies laid down, in the period before last year' election victory, did not, it must be assumed, envisage an oil price explosion of the magnitude experienced in the past 18 months, and foresee the consequences which flowed from such an event. The burden of success in reducing inflation was inevitably going to be borne by the corporate sector; but it has been made intolerable by the developments in the real world. Foreign, and largely Organisation of Petroleum Exporting Countries inspired, appetite for high yielding, sterling denominated government paper has led to a sharp appreciation in the exchange rate of our currency, with adverse consequences for corporate profitability and employment.

Is it not vital to explore ways of puncturing the foreign investors' demands for sterling denominated securities, before there is a wholesale collapse of the corporate and, consequently, financial sector of the UK economy? Crossing fingers and hoping that something will turn up seems too risky a stance. Leaving the market to learn the hard truth about sterling, on the corpse of the corporate sector, is surely too negative an approach to the problems.

As the survival of the corporate sector is paramount, then other lesser principles must be subordinate: negative interest rates on foreign owned sterling deposits and paper is a "sacrifice" well worth enduring.

W. J. Houlihan.
20, Richmond Court,
Queens Road,
Kingston, Surrey.

Help for small business

From the Director,
Institute of Small Business

Sir,—Let us hope that any new steps the Government takes to help small business do not set it marching in the opposite direction to every other country. As John Elliott reports (September 2) in his review of Graham Bannock's discussion paper, most European countries (and the U.S.) are moving towards using commercial banks as a route through which to help small businesses.

It would be ludicrous if Government ignored the most comprehensive banking network in the world in favour of alternative agencies however specialised and however high in quality.

British clearing banks have over 12,000 branches distributed throughout the country. They are uniquely placed to deal with the outstanding problem of small businesses, which is that they too are widely distributed; and so difficult to reach. There cannot be many small business enterprises that do not have bank accounts and probably overdrafts.

The value of this network (which is envied everywhere) must override nearly every other consideration. There is continual argument about the nature and quality of the advice with which specialist agencies, banks and others encumber small businessmen. But everyone agrees that reaching him is the overriding task.

Many of the agencies have something special to offer to small business. The best way to get that advice across would be to wholesale it to the banks, leaving the banks to retail it to the customer through their 12,000 outlets.

With support of this kind the banks may feel inclined to increase their level of risk by a per cent or two in determining their lending to small businesses. A small movement of this kind through so large a network would have enormous leverage in helping small businesses to start and grow.

Peter Gorb.
Institute of Small Business
London Business School
Sussex Place,
Regent's Park, NW1.

Reducing spending

From Mr. J. Newman

Sir,—The silly season for journalism has nearly slipped away, but I hope you will not mind me putting forward two schemes to assist Sir Derek Rayner in his efforts in cutting, firstly, civil service spending and, secondly, the number of civil servants, thereby also reducing spending.

At any point in time during a budgetary period, the majority of budgets are proportionately underspent. In the civil service's case, there is one other factor: no carry forward of amounts underspent on a budget is allowed. Thus, there is always a rush to spend the doubly under-budgeted amounts in the last three months of the fiscal year, ending on March 31. To take advantage of these two factors the financial year should be changed (possibly retrospectively) to December 31. Thereafter civil service departments would be given a budget for 1981, of four-thirds of what they had spent in the nine-month period up to December 31. At a stroke, the Government would reap the advantage of the underbudgeting and avoid the January to March spending rush. Further, a full review of the accounting procedures of the civil service should be undertaken to allow carry forward of expenditure and a proper division of expenditure into capital and revenue items. Further savings would result from these moves.

The second scheme comes from a desire to fully utilise a well-known computer configuration owned by the Government, called Ernie, in a drive to cut the number of civil servants. The first step would be to give every civil servant a number which would each month, be fed into Ernie. The computer would be programmed to produce, say, 1 per cent of these numbers per month with the result that the civil servants whose numbers were chosen would be made redundant. The first servant drawn would be the prize redundancy of the month and would receive a substantial sum of say, £100,000, and the next 1,000 would receive medium size prizes in addition to the normal redundancy terms, which would be given to all.

Of course, this scheme, to liberate the talent employed in the civil service to fructify the private sector, might deplete the civil service of too many in one department, but of course, one hopes that cross transfers would be allowed within the civil service.

John A. Newman.
Kingsgate House,
115 High Holborn, WC1.

What we want from Woolies

From Mrs. E. Adams

Sir,—I note (September 2) that Woolworth intends to reduce prices by approximately 10 per cent in a bid to improve sales.

May I be so bold as to suggest that it seriously considers reverting to stocking so many of the smaller items which one could always get in "Woolies" in days gone by, and cut out a lot of the larger slow sellers. I do seriously believe that it should consider looking back at the items which helped create the wealthy organisation it is today and stocking them again. I firmly believe this applies to a lot of shops.

Mrs. E. M. Adams.
100, Blurton Road,
Clapton Park, E5.

Immunities of trade unions

From Mr. S. Abbott

Sir,—Time and again your labour correspondents refer to sections of the Employment Act as limiting the legal immunities of trade unions (e.g., "TUC act to sabotage Act," September 1).

The Act does no such thing. It leaves wholly untouched the trade union immunities which are enjoyed by no other persons or institutions in the country (including the Crown) and by trade unions in no other country. In all other democracies industrial relations are conducted between parties who are equal before the law: yet trade unions flourish. The relationship between this simple fact and comparisons of economic growth is, of course, another story.

S. Abbott,
Sumacks Cottage,
Harting Coombe,
Rake, Hampshire.

The need for apprentices

From Mr. D. Jenkins

Sir,—Alan Pike is to be congratulated on his article "Britain's antique apprenticeship system" (September 2). It does however contain a number of misleading statements.

He says: "British manufacturing industry has been incapable of taking full advantage of previous economic upturns because of an acute shortage of skilled workers in crucial areas." The current report of the review panel set up by the Manpower Services Commission to look into the operation of the Employment and Training Act shows clearly what many have suspected for a long time—that skill shortages have never existed on anything like the scale that has been widely assumed, and that it masked the real issue, which was the inability of firms to make better use of the people they already employ.

Your correspondent further asserts that the engineering industry needs 23,000 new apprentices a year. Nobody has any idea what that number should be for two reasons: no information exists as to the number of skilled men employed in this country or as to the number of jobs that exist demanding the skills traditionally associated with an apprenticeship. The typical employer, when asked how many skilled employees he has, will state the number of people who are paid the "skilled rate." The vast majority of employees paid the "skilled rate" work at jobs that can be learned in months, weeks or even days.

The article joins in the modish pursuit of sporting our national hairshirts, regardless of the facts of the case, by making some unflattering comparisons with our European neighbours. We are told that the number of young people entering apprenticeships or full-time vocational education in the UK is a fraction of that in our European counterparts. To take one example, if we examine the German figures more closely we shall conclude, as did Dr. Beatrice Reubins of Colombia University (1977), that not only was the German apprenticeship system very different from that of the UK, but that there were strong indications that over-training was taking place on a large scale — with the result that "apprenticeship may be producing more skilled entrants than the economy can absorb."

We are currently witnessing a debate strongly reminiscent of the 1960s in which it is the official platform that the country needs a vast investment in the training of skilled people. The case has yet to be made.

David Jenkins.
Chantry House,
Landford Road, Putney, SW15.

Managing funds

From Mr. B. Fegan

Sir,—An appalling omission in Eric Short's Saturday article "Link for success" (August 30) left me both surprised and disappointed . . . in fact the omission was of such magnitude as to make the article misleading, although obviously unintentionally.

While I accept the overall concept of the benefits of unit-linking, Mr. Short has ignored the most exciting, most potentially profitable and valuable aspect of unit-linking, i.e. the facility offered by most leading offices of flexibility . . . the ability to switch from one major investment sector to another, thus consolidating gains and capitalising on the potential growth of a different sector.

I see little point in asking companies for the results of their best-performing funds when with a modicum of common-sense an infinitely better result could have been obtained with the intelligent use of the switching facility.

Similarly, Mr. Short's final sentence is something of a nonsense. Investors only "have to get it right at outset" if they intend to stick to the safe, unspectacular growth pattern of the "deposit" type of fund. Funds, whether in pensions, savings plans or lump-sum investments should be monitored so that profits can be maintained and an active investment pattern used to the fullest advantage, to the overall benefit of the client and, indeed, to the enhancement of the unit-linked companies as a whole.

B. D. Fegan.
11a, The Strand,
Exmouth, Devon.

Today's Events

GENERAL

UK: Mrs. Margaret Thatcher begins two-day visit to Orkney and Shetland.

Baroness Young, Education Minister, speaks to annual conference of Association of Preparatory Schools, Oxford.

Trades Union Congress annual conference continues, Brighton.

British Association for the Advancement of Science annual meeting continues, Manchester.

Association of Chief Police Officers' annual meeting concludes, Preston.

Institute of Directors conference—Beware the Vth Directive, London.

Rival groups in Westward Television boardroom dispute appear before Lord Justice Dillon to resolve dates for extraordinary meetings.

Exhibition Eighty (energy and engineering) opens, Newcastle upon Tyne (until September 13).

European Open Golf Championship starts, Walton Heath, Surrey (until September 7).

Overseas: Second regional meetings of leaders of 16 Asian and Pacific Commonwealth countries opens, New Delhi (until September 8).

Financial Times conference opens on the new Sri Lanka—opportunities for business, Colombo (to September 5).

OFFICIAL STATISTICS

Department of Industry issues August provisional figures of vehicle production. Central Statistical Office publishes second quarter figures for UK balance of payments.

COMPANY MEETINGS

Allnatt London Properties, Winchester House, 100 Old Broad Street, EC, 12. Birmingham Mint, Chamber of Industry and Commerce, Harborne Road, Birmingham, 12. H. P. Bulmer, Green Dragon Hotel, Broad Street, Hereford, 2.30. Cawdaw, Cawdaw House, Lower Broughton Road, Salford, 12. Daelan, Connaught Rooms, Great Queen Street, WC, 12. Ex-Lands, 25.35 City Road, EC, 12.30. C. M. Firth Metals, Victoria Hotel, Bradford, 11.30.

COMPANY RESULTS

Final dividends: British Electric Traction. Interim dividends: Blackwood Hodge. British Petroleum. Cadbury Schweppes. Charterhouse Group. Costain Group. J. J. Dewhirst Holdings. Invergordon Distillers (Holdings). London and European Group. Midland Industries. Morgan Crucible. Northern Engineering Industries. Nu-Swift Industries. Sharne Ware. Winston Estates.

Sun Alliance soars 70% —underwriting improves

IMPROVED UNDERWRITING results, higher profits from long-term business and buoyant investment income sent 1980 first-half pre-tax profits of the Sun Alliance Group soaring by nearly 70 per cent from £15.7m to £26.4m. Despite a substantially higher tax charge, shareholder's profits showed a similar rise from £9.2m to £15.7m.

The net interim dividend is lifted 1.5p to 15p.

General business premiums rose 12.6 per cent from £278m to £313m, but growth was held back by the continuing strength in sterling. The underlying growth rate in premium income was 18.8 per cent.

nvestment income advanced 15.5 per cent in sterling terms from £33.5m to £38.7m, but the true growth, ignoring currency fluctuations, was 19.1 per cent.

World - wide underwriting losses were cut from £20.1m to £15.2m, with the UK business showing losses reduced from £12.5m to £9.7m.

Sun Alliance is the largest house insurer in the UK and its personal account underwriting, helped by better weather, showed a £6m improvement, leaving the account only marginally in deficit over the period.

However, the UK motor account deteriorated over the period, despite better claims frequency, and losses were in excess of £3m. But the group intends to hold its motor premium rates, which were last increased in April, for the full 12 months.

Engineering and accident business were less satisfactory, reinsurance was unprofitable and liability business suffered a loss arising from the strengthening of reserves.

Although business remains unprofitable in Europe, improvements in Germany and Holland resulted in underwriting losses being slimmed from £4m to £2.8m. Because of difficult trading conditions there were underwriting losses in both Canada and Australia. Losses in Canada rose 50 per cent from £600,000 to £900,000, while in Australia there was a turnround from a profit of £200,000 into a loss of £1.8m. Elsewhere the absence of exceptional losses led to only a marginal deficit for the period against a £3.2m loss in 1979.

New life business declined with new annual premiums falling from £11.5m to £10.8m and single premiums from £8.3m to £4.8m. The decrease in annual premiums business reflects the dull mortgage market over the first half of the year.

	1980 £m	1979 £m
	Six months	
Premium income — General	313.1	278.1
Underwriting loss — General	15.2	20.1
Long-term ins. profits	2.5	2.1
Investment income	38.7	33.5
Other income	0.4	0.2
Profit before tax	26.4	15.7
Taxation	10.2	6.4
Net profit	15.8	9.3
To minorities	0.1	0.1
Attributable	15.7	9.2

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ROWLAND GAUNT

Pre-tax profits of Rowland Gaunt, the ladies' wear manufacturer, fell from £11,732 to £7,916 for the year to June 30, 1980, including interest receivable on short-term deposits of £930 against £1,335.

There was a tax charge of £4,041 this time, compared with a credit of £4,127, and an extraordinary debit of £1,240 (nil). Following the omission of tha interim dividend, directors are now passing the final. Last year there was a single net payment of 1.5p.

Woodward warns on second half

ALTHOUGH PROFITS and turnover of H. Woodward and Son, commercial vehicle distributor and bodybuilder, improved in the first half, management accounts in the second are showing a reduction in sales and a fall in profitability caused by the depressed economic climate.

An increased turnover for the half-year to March 31, 1980, of £6.4m compared with £5.35m, pre-tax profits rose from £184,344 to £196,342.

The company paid interest charges during the period of £73,386 against £52,577 and tax took £102,100 (£95,859). The interim dividend is unchanged at 0.5p net per 12½p share—last yeer's final peyment was 1.7p, paid from pre-tax profits of £430,849.

HIGHLIGHTS

Lex looks at the Stock Exchange Council's revised plans for the unlisted securities market. These looks less restrictive than the proposals in last December's discussion paper. Three big composite insurance companies reported half-year results yesetrday and all three—GRE, Phoenix and Sun Alliance—look likely to produce substantially higher profits this year. Elsewhere Lex considers some of the interesting consequences of Alliance Building Society's scheme to tap institutional sources of funds through yearling-type bonds and the column also notes BICC's new ultra-cautious step towards Higgs and Hill. On the inside pages there are some very poor figures from Weir, and Black and Edgington also stands out as having surprised the market with its losses.

GRE profits expand 15% in first half

CONTINUING difficult underwriting conditions held back profits growth of Guardian Royal Exchange over the first six months of this year, with underwriting losses worsening marginally from £8.8m to £9.1m, despite improving figures from the UK, the U.S. and Germany.

However, investment income net of interest paid rose over the period from £37.2m to £41.4m and, together with a higher long-term surplus, resulted in pre-tax profits improving by 15 per cent from £31.4m to £36m. Tax and minorities accounted for £15.7m against £15m, leaving after-tax profit 24 per cent higher at £20.3m against £16.4m.

The interim dividend is lifted from 5p to 8p net,—last year's total was 13.5p.

Premiums written on the fire, accident and marine accounts rose by 13 per cent in sterling terms. But the underlying growth was higher, amounting to nearly 18 per cent if current fluctuations are removed. Similarly, the true growth in investment income was about 21 per cent.

Underwriting losses in the UK were cut from £4.3m to £2.6m, with losses on the motor account trimmed by around £1m to £3.25m and the householder account near to break-even. However, the improvement would have been even better but for a £1.8m loss in marine business.

GRE, the second largest motor insurer in the UK, states the improvement in the motor account reflected a fell in the number of claims and the premium increases made last year and in April this year. The company is not increasing premiums this October, but is not prepared to state whether it can hold its motor retes for 12 months.

Underwriting losses improved marginelly in Germany, amounting to £3.2m against £3.3m, but deteriorated significantly in Australia and Canada as expected. Business in the U.S., which included the results of Midwestern for the first time, showed a profit of £1.3m against a break-even position for the territory last year, despite keen competition. There was a small profit in Holland and losses in France were halved, but nevertheless underwriting results for the rest of the world worsened overall.

GRE reports mixed results for its new life and pensions business. New annual premiums rose marginally from £16m to £18.5m, but single premiums fell from £10.6m to £10m. New sums assured and new annuities amounts advanced over the period to £1.55bn and £36.2m from £1.38bn and £30m respectively.

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Church lower halfway

TAXABLE PROFITS of Church and Co., shoe manufacturer, wholesaler and retailer, fell to £882,000 in the first six months of 1980, compared with £1.19m.

While every effort is being made to reduce overheads, say the directors, it is the level of retail seles in the autumn which will largely determine the final result for the year. The sooner the long-delayed cut in bank lending rate occurs, the better, they add.

They point out that the surplus for the first half of last year reflected e quite exceptional surge in sales between the announcement of the increase in VAT and its implementation.

The first half of 1980, on the other hand, has been affected by an increase of almost £200,000 in interest charges and the bringing forward of a wage award from July to April in line with the Multiple Shoe Retailers Association agreement.

The interim dividend is maintained at 2.5p—last year a total of 7.5p was paid from pre-tax profits of £3.11m.

Turnover rose by 15 per cent to £15.23m. After tax of £320,000 (£494,000) and minorities of £2,000 (same), the attributable surplus emerges at £560,000 (£692,000), of which £130,432 (same) is absorbed by dividends.

Redundancy and interest costs hit Weir Group

'ARISING MAINLY' from problems at Weir Pumps, where there have been substantial cost over-runs on major contracts and where profit margins have been considerably lower than expected, tha Weir Group, engineering concern suffered a £5.77m turnround into losses in the first half of 1980.

After charging redundancy costs of £1.54m this time, and doubled interest charges of £3.66m, there was a pre-tax deficit of £2.42m for the 26 weeks to June 27, compared with profits of £3.35m for the first 25 weeks of 1979. It is expected that losses will continue in the second half, albeit at a reduced level.

Following the omission of last year's final dividend, no interim is now being recommended (1.8634p net last time).

For the previous full year, profits before tax totalled £2.08m after losses of £1.27m in the second six months.

The directors say that first half results are extremely disappointing and much below their expectations held as recently as the annual meeting in Mey.

The setback reflects a combination of current losses, of late costs on contracts closed last year, of provisions against part of the order book and of heavy redundancy costs, they explain. Trading conditions and the economic and monetary background have continued to be difficult.

Comprehensive action to reduce costs has already been taken, including a reduction of some 900 in the staff and workforce at Weir Pumps, while further executive manegement changes are also being implemented. The directors believe that ection taken and in hand will return Weir Pumps to a stable and profitable position.

The other parts of the group, although not without problems, continue to operate broadly in accordance with their budgeted performance. In particular the overseas companies, which are not beset by the problems of the UK economy, continue to show encouraging results.

Tax charge for the 26 weeks was £1.05m (£1.5m) and after minorities and extraordinary items, the group'a attributable losses were £4.19m, compared with £1.81m profits. Earnings per share last time were 7.1p.

In consultation with its bankers and with Finance Corporation for Industry, the group has put in band a full review of the scope of its operations and an assessment of future capital requirements.

	Six months 1980 £000	1979 £000
Turnover	77,873	84,704
Profit	2,422	4,185
Interest	3,657	1,809
Redundancy costs	1,532	—
Associates	361	969
Pre-tax loss	2,416	*3,345
Taxation	1,505	1,600
To minorities	140	87
Net loss	2,606	*1,758
Extraordinary debit	585	†48
Attributable loss	4,191	*1,806

*Profit. †Credit.

Meanwhile, the banks and FCI have agreed on a basis for continued support for the group's operations (including bonding fecilities in respect of home and overseas contracts) under which a measure of security has been obtained by way of charges over the assets of UK companies.

The directors say production capacity and costs are now being brought into line with the level of business that can realistically be expected in present difficult markets. This follows the closure of three loss-making subsidiaries since last November and the large reduction in overheads and numbers employed at Weir Pumps and elsewhere within the group.

They believe these measures should result in an improvement in the group's fortunes.

● comment

Life has been very tough indeed for Britain's most important manufacturer of pumps and associated equipment. Weir has fallen almost £6m into losses at the pre-tax level and has further disappointed the market with an understandable passing of the interim dividend. The news yesterday sent the already depressed shares down from 28p to 25p after touching 20p; the price was as high as 70p earlier this year. The pre-tax loss can be attributed to more than doubled interest charges, a loss of possibly around £2m at the Weir pump business and redundancy costs of £1.5m, mainly connected with the discharge of 900 employees at Weir Pumps. The other parts of the group aeem to be trading reasonably and the overseas companies, which last year supplied around one-third of profits, are holding their own despite the challenge of strong sterling. But 1980 will be a year of loss and by the end of the current period the group's second half performance may produce a total loss of £3.5m or more. Meanwhile, the group's financial situation will be under scrutiny by both the Finance Corporation for Industry and Weir's bankers. These two backers have put out a safety net for the group which includes a link between borrowings and assets as collateral. This, together with the group's previous and planned rationalisation and management changes, should provide scope for recovery next year, but the short-term picture looks grim.

Investment and long term surplus lift Phoenix by 21% midway

UNDERWRITING RESULTS of Phoenix Assurance deteriorated further over the first half of 1980, rising from £8m to £9.2m, arising from higher losses in both the UK and U.S. But these were more then offset by e 13 per cent rise in investment income from £21.8m to £24.7m, and more than doubled profit from long term business.

This resulted in pre-tax profits improving by 21 per cent from £14m to £16.9m. Higher tax charges and minority interests cut the net profit rise to 16 per cent from £8.2m to £9.5m, the earnings per share rising from 13.6p to 15.7p. The interim dividend is increased from 5.8p to 6.5p.

Net premiums written on general business advanced 7 per cent from £180.6m to £193.6m, the true growth rate, ignoring currency fluctuations, being 13 per cent. Investment income showed a real growth rate of 21 per cent.

Good premium growth generally in the UK was accompanied by good results in the second quarter in commercial fire, consequential loss and private motor accounts which were in profit in the second quarter.

But this was offset by household business showing e further loss amounting to around £2m. Coupled with a deterioration in the Republic of Ireland, the home fire and eccident account as a whole showed a £1m higher loss at £4.4m.

Underwriting losses in the U.S. declined further from £1.1m to £2.5m in line with the deteriorating trend in that country. The operating ratio worsened from 101.9 to 106.1.

Business in Europe maintained the improvement evident earlier in the year and the second quarter brought a better result from Canada. Underwriting conditions in Australia remained difficult, but elsewhere profits were earned in most areas.

Buoyant new long-term business in most areas of operation is reported by the company for the first half of the year, with new annual premiums jumping 40 per cent from £7.6m to £10.7m, while sums assured improved 36 per cent from £906m to £1.23bn and annuities by over 50 per cent from £9m to £13.8m.

Group life end pensions business, individuel pensions and protection contracts all moved ahead steadily. However single premium business fell from £13.4m to £11.9m. The linked-life subsidiary, Property Growth, recorded a substantial rise in regular premium business and consolidated last year's strong growth in single premium business.

	Six months 1980 £m	1979 £m
Net premiums written: General	193.6	180.6
Investment income	24.7	21.8
Underwriting loss — General	9.2	8.0
Long-term profits	2.3	1.0
Expenses	0.S	0.S
Profit before tax	16.9	14.0
Taxation	5.4	4.7
To minorities	2.0	1.1
Net profit	9.5	8.2

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Movitex calls in receivers

BY CHRISTINE MOIR

RECEIVERS are being called in at Movitex, the troubled record pressing and signs company, less than a year after stockbrokers Sheppards and Chase led a shareholder revolution to restructure the board.

The shares were suspended yesterday et 8p. In May last year Mr. Albert Perry, a former director, and his associates sold just over 50 per cent of the equity for 28p a share.

Two specialist engineers, Mr. Christopher van Meister and Mr. David Macdonall, took 12 per cent of the company which they intended to transform into a high-technology engineering consultancy. They resigned in May. Clients of Sheppards and Chase took the rest of the shares on offer, about 38 per cent of the equity.

The directors who remain wrote yesterday to shareholders saying that receivers had been called in because the company had "an acute shortage of working capital" which might heve meant it was trading while insolvent.

They blame the position on "the burden of past debts" including a £100,000 loan from Mr. Robert Bulfield, the former chairman who was ousted at last November's annual meeting.

Mr. Bulfield issued a writ demanding immediate repayment of the loan early this year but negotiations have proved protracted and this, the directors claim, prevented the company from making the rights issue planned for June which might have rescued the company.

Shareholders are also told that the so far unaudited accounts for the year to February will show a pre-tax loss of £126,000. This translates into an attributable loss of £47,000 efter a £75,000 tax credit and £55,000 from the profits of property sales less the £48,000 cost of the boardroom changes in terms of professional fees.

The 1978/79 figures have been restated to show a pre-tax profit of £99,000 resulting in an attributable loss of £94,000 which, together with a dividend payment of £31,000, meant a £126,000 deduction from reserves.

They also warn that the accounts have been prepared on a going concern basis and that the value of assets during the breakup now planned are likely to be less than shown in the accounts.

Meanwhile, no dividend is to be paid.

Syltone £1m finance to help expansion

Syltone, the engineering and electrical distribution company, is to raise nearly £1m from Equity Capital for Industry (ECI), shareholders were told at yesterday's annual meeting.

The company will issue 1m 9¾ per cent convertible cumulative preference shares of £1 each at par to ECI—set up by financiel institutions to provide equity finance for companies—to raise just over £970,000, net of expenses.

Pre-tax profits of Syltone moved up from £1.4m to £1.8m in the year to March 31, 1980, with turnover totalling £18.1m (£14.7m). As well as reducing short-term gearing, the new funds will also aid Syltone's expansion plans.

The compaoy wants to raise UK production capacity at the Drum Engineering Company including the enlargement of the tanker fitting facilities. It also intends to set up manufacturing facilities in the U.S.

These fecilities will be in Kentucky, where the company already has a sales and service operation. The move will be entirely financed by local term borrowings.

The company said yesterday that results for the first half would inevitably reflect the downturn in activity in the UK since the start of its financial year. But export orders had been maintained, although sterling's strength had affected margins.

The sbsres to be issued to ECI will be convertible between 1983 end 1990 at the rate of 100 ordinary shares of 25p each for every 205 convertible preference sbares of £1 each.

SPAIN

September 3	Price %	+ or −
Banco Bilbeo	229	+4
Banco Central	252	
Benco Exterior	208	
Banco Hispano	225	+2
Banco Ind. Cat.	120	
Banco Madrid	141	
Benco Santandor	252	+12
Banco Urquijo	138	
Banco Vizcaya	236	
Banco Zaragoza	215	
Dragados	123	
Espanola Zinc	72	−1
Fecsa	62.50	−0.20
Gal. Preciados	33	
Hidrola	67.70	+0.20
Iberduero	64	−0.50
Petroleos	109	
Petroliber	87	
Sogefisa	107	
Telefonica	61	−0.50
Union Elect.	68.50	+0.30

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Black & Edgington int.	Nil	—	2.2	—	5
Church & Co. ......int.	2.5	Oct. 17	2.5	—	7.5
City & Comm. Inv. int.	1.5	Sept. 20	1.25	—	2.52
I. J. Dewhirst ......int.	0.45	Nov. 27	0.38*	—	1.35*
Guardian RE ......int.	6	Jan. 8	5	—	13.5
Nu-Swift Inds. ......int.	0.84	Oct. 13	0.84	—	2.05
Phoenix Ass. ......int.	6.5	Jan. 2	5.8	—	13.3
Pritchard Services int.	1	Oct. 24	0.8	—	2.25
Sun Alliance ......int.	15	Jan. 5	13.5	—	28
Weir Group ....int.	Nil	—	1.86	—	1.86
H. Woodward, Son int.	0.5	Oct. 17	0.5	—	2.2

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

MINING NEWS

Poseidon profits improve with strength of gold

BY GEORGE MILLING-STANLEY

THE STRENGTH of the gold price in the year to June 30 has produced more than trebled profits for Poseidon, the company which highlighted the boom in Australian nickel exploration shares in the late 1960s.

Poseidon's net profit for the period was A$7.05m (£3.53m), up from last year's A$2.12m. Earnings came out at 42 cents a share compared with 12 cents, and the final dividend of 5 cents lifts the total for the year to 10 cents. This is the first year in which Poseidon has been in a position to pay a dividend.

Poseidon said yesterday that the 332 per cent rise in profits was a result of the sharp improvement in the gold price, which boosted the earnings of the Wstern Australian gold mining concern Kalgoorlie Lake View (KLV), in which Poseidon has a 47 per cent stake.

The stake in KLV came about through Poseidon's purchase of Lake View and Star, with the intention of converting the gold mine's processing plant to the milling of nickel sulphide from Poseidon's Windarra mine, subsequently sold to Shell.

KLV itself has a 52 per cent interest in Kalgorlie Mining Associates (KMA), which operates the Mount Charlotte and Fimiston gold mines.

KMA's production from the two mines during the year was 107,335 fine ounces, compared with 115,710 ounces last year from Mount Charlotte alone. The fall in output was more than offset by the improvement in the average price received to A$432 an ounce, against A$203 in the previous 12 months.

KLV's holding in KMA contributed a net A$8.32m during the year, compared with just A$1.04m last year. This helped to lift KLV's net profit for the period to A$14.87m from A$5.01m.

KMA returned a net profit for the year of A$29.13m, up from A$9.99m.

Apart from Poseidon, the results of KLV and KMA also benefited Gold Mines of Kalgoorlie (GMK), which owns 47 per cent of KLV and thus has an indirect stake of 24 per cent in KMA.

GMK recorded a net profit for the year of A$7.04m, or 78 cents a share, compared with A$2.28m or 25 cents. A final dividend of 5 cents a share lifts the total to 13 cents from just 3 cents last year.

Poseidon shares closed last night at 257p, up 9p, and GMK put on 4p to 428p.

ENDEAVOUR TAKES COLLIERY OPTION

Australia's Endeavour Resources, which recently lost a long-runing battle to take control of White Industries, has accepted from White a six months' option to acquire a 50 per cent interest in Ashford Colliery. The option over the colliery, in New South Wales, hears an exercise price of A$5m (£2.5m).

WMC in talks on titanium joint venture

THE MAJOR Australian mining house Western Mining (WMC) has disclosed that it is having discussions with two leading U.S. companies about the construction of a titanium sponge plant in Australia. The U.S. companies involved in the negotiations are General Dynamics and Pratt and Whitney, a subsidiary of United Technologies.

Sir Arvi Parbo, chairman of WMC, said yesterday that a decision on the venture is expected in about two months.

Earlier this week, the company declined to comment on Australian Press reports to the effect that it was considering taking part in a joint venture to build a A$100m (£50m) plant to produce titanium in sponge form.

The metal, which is in short supply in the West, is used in both the civil and military aerospace industries.

Canadian earnings round-up

OUT of a total of eight natural resources companies, seven based in Canada and one with substantial Canadian interests, no less than six have managed to increase their latest net earnings.

By far the most spectacular performance comes from the Vancouver-based Teck Corporation, one of Canada's fastest growing natural resources groups, reports John Soganich from Toronto.

Teck's net profits for the nine months to end-June soared to C$30.4m (£10.9m) or $1.19 per share against $12.6m or 67 cents a share during the same period last year.

"Earnings per share have been calculated on an average of 25.2m shares this year compared with 18.7m last year. Net profits include investment gains of $5.3m, up from $3.7m."

The profits surge is attributed to higher metal prices and substantially improved oil and gas revenue.

First-half net profits at the Netherlands-based Patino, which has extensive mining interests in the Chibougamau district of Northwest Quebec, more than doubled to U.S.$14.6m (£6.04m) from the $7.2m in the same period last year.

Earnings per share jumped to $5.47 from $2.40 on revenue of $98.4m compared with $66.2m.

The company's 34 per cent share of the earnings for the first half of 1980 of Edper Equities, which in turn holds about 48 per cent of Brascan, has been included in the second quarter profit.

Results from the Canadian mines rose significantly as improved metal prices offset a slight decline in production.

The Quebec gold producer Campbell Mines has increased its first-half net profits to C$5.7m (£2.04m) from $5.2m. Gold revenue advanced to $18.3m from $10m and oil and gas income to $2.6m from $1.6m but the company's overall profit performance continues to suffer from the losses of the La Luz coal subsidiary.

Labrador Mining, the Hollinger Argus subsidiary currently undergoing a major corporate restructuring, reports a first-half profit of C$12.8m (£4.6m) against $9.4m in the same period last year. The results include equity earnings of $8.6m from Norcem Energy Resources.

Royalty income from Iron Ore Company of Canada will be substantially lower in the third and will be lower for the entire year 1980 compared with 1979. Iron Ore Company will have a profitable year in 1980 but earnings will be about 25 per cent lower.

Romao Corporation, which controls around 34 per cent of uranium producer Denison Mines made first-half net profits of C$9.4m (£3.4) compared with $7.8m

Newfoundland's asbestos producer, Advocate Mines made a first-half profit of C$0.4m compared with a loss of $5.3m last year.

Another asbestos producer, the Vancouver-based Cassiar Resources saw half-year net earnings fall to C$5.2m (£1.9m) from C$8.3.

The approaching exhaustion of ore reserves and decline in grades of ore milled at Craigmont Mines' copper operations near Merritt in British Columbia has led to a reduction in shipments of copper concentrates and prompted a sharp fall in Craigmont's net profits for the nine months to end-July. Earnings fell to C$3.5m (£1.25m) against C$8.77m in the same period last year, but excludes a C$1.58m gain on the sale of Placer Development shares.

Pritchard up and on target

A 34 PER CENT advance in pre-tax profits from £1.04m to £1.39m was achieved by Pritchard Services Group in the first half of 1980 on sales up £3.15m at £39.7m.

Mr. Peter Pritchard, the chairman, says that the company's principal activities, which include building and stone cleaning, security services and linen hire, remain buoyant: "We have confidence in the continued growth and demand for the services offered by the group."

In the light of the latest management accounts and projections the directors anticipate that profits for the current year will be up to expectation. As known, in his annual report for last year, Mr. Pritchard was forecasting a level this time comfortably in excess of the £2.57m pre-tax seen for 1978.

After tax of £555,000 (£444,000) stated half-time earnings per 5p share were ahead 43.4 per cent at 3.83p, against 2.67p. The net interim dividend is raised to 1p (0.8p) and the board expects to recommend a total of not less than 3.5p compared with last year's 2.25p.

Half-year profit was struck after interest up from £518,000 (£583,000). The attributable surplus emerged at £822,000 (£573,000).

● comment

In its fight to fend off a feared bid from Provincial and Mr. Michael Ashcroft, Pritchard Services has produced the expected fireworks in its earlier-than-usual interim statement. Pre-tax profits are up 34 per cent, earnings per share 43 per cent and the directors have undertaken to raise by over half the total dividend. Foreign operations, which accounted for 56 per cent of turnover but only 32 per cent of profit last year, have improved their performance as have the Middle East associates and the whole group is benefiting from the trend to contract out cleaning services. The interest charge continues to climb but the company hopes both it and overall borrowing will decline in the second half. At 93p, up 2p yesterday to a high for the year, the shares are well beyond Mr. Ashcroft's stated 70p top price for further purchases, to add to his 20.1 per cent stake. Pritchard might make more than £3m in the full year, which suggests a fully taxed prospective multiple of more than 14, almost double the rating offered in May after the 1979 results. The prospective yield is 5.4.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—Blackwood Hodge, British Petroleum, Cadbury Schweppes, Charterhouse Group, Costain, General Mining Union Corporation, Invergordon Distillers, London and European, Midland Industries, Morgan Crucible, Northern Engineering Industries, Sharna Ware, Thurgar Bardex, Winston Estates.

Finals—Bertam Consolidated Rubber, British Electric Traction, Grimshawe, New Central Witwatersrand.

FUTURE DATES

Interims—	
Boustead	Sep. 30
Brown Boveri Kent	Sep. 18
Burmah Oil	Sep. 17
Cape Industries	Oct. 7
Home Charm	Sep. 16
Liberty	Sep. 19
Pertals	Sep. 10
Travis and Arnold	Sep. 15
United Biscuits	Sep. 11
Finals—	
Cantors	Sep. 12
Caskel (S.)	Sep. 26
Consolidated Gold Fields	Sep. 17
Coronation Syndicate	Sep. 11
Dixon (David)	Sep. 5
Link House Publications	Sep. 15
Surmah Valley Tea	Sep. 5
Tweefontein United Collieries	Sep. 11

I. J. Dewhirst improves 17% to £0.9m so far

ON SALES up by 15 per cent from £8.85m to £10.22m taxable profits of I. J. Dewhirst Holdings, clothing manufacturer, expanding to £911,000 for the 26 weeks ended July 18, 1980, compared with £780,000, a rise of 17 per cent.

In June, Mr. Alistair Dewhirst, chairman, said he was confident of some increase in first-half results, helped by interest on cash deposits.

Interest received improved to £92,000 (£46,000) for the period, offsetting the reduction in trading profit margins, and stock levels are closely under control, resulting in cash deposits currently exceeding £2m.

Clothing sales in general continued to be difficult during July and August, the chairman now states, although second-half sales so far show a similar pattern of increase to the first.

He does not expect trading conditions to alter significantly during the rest of the year, with continuing pressure on margins, against which the group should receive the benefit of an increasing investment income.

He adds that the company is tackling these conditions vigorously in close co-operation with its customer, Marks and Spencer, "and we are continuing to expand our productive capacity on a very selective basis."

After six months tax of £159,000 against £126,000 net profit came out at £752,000 (£654,000) giving earnings per 10p share of 4.06p compared with 3.52p.

The interim dividend is effectively raised to 0.45p (0.375p) net costing £80,543—last year's final payment was an adjusted 0.975p paid from pre-tax profits of £1.67m.

Scottish Road Services down in first half

Trading profits of Scottish Road Services, a road haulage and warehousing subsidiary of the National Freight Corporation, fell from £192,000 to £50,000 in the 24 weeks to June 14, 1980.

After interest received of £169,000 (£135,000) and redundancy costs of £76,000 (£80,000) there is a balance of £143,000, compared with £247,000 in the corresponding period. There is again no tax charge.

Revenue for the first half was virtually static at £7.83m (£7.67m).

RESULTS AND ACCOUNTS IN BRIEF

CITY AND COMMERCIAL INVESTMENT TRUST—Gross income for half-year to July 31, 1980, £578,402 (£481,312). Net profit £355,419 (£294,686) after tax of £170,977 (£142,295), etc. Net interim dividend per income share 1.504p (1.247p). Net asset value 252p (220½p) as at March 31, 1980. Growth in revenue partly arises from exceptional dividend increases made by a number of UK companies and should not, therefore, be taken as an indication of the rate of increase for the year as a whole, the board says.

NEW THROGMORTON TRUST—Net asset value per £1 capital loan stock is 239.31p.

ENGLISH AND SCOTTISH INVESTORS—Gross revenue for half-year to July 31, 1980, £781,371 (£787,358). Net revenue after expenses and tax £417,580 (£281,704). Tax charged £239,064 (£136,071). Earnings per 25p share 1.02p (0.68p). Net asset value was 74.3p (62.3p). Interim dividend of 0.6p net (0.5p) already announced.

MONTAGUE BOSTON INVESTMENT TRUST—Gross income for half-year to July 31, 1980, £187,200 (£289,500), net profit £76,600 (£76,400) after tax of £43,400 (£82,800), etc. Net asset value 60p (58⁷⁄₁₀) as at January 31, 1980.

Net asset value of AMBROSE INVESTMENT TRUST at August 29, 1980, was 159.08p, against 164.2p the previous month.

SCOTTISH ENGLISH AND EUROPEAN TEXTILES—Results for year to April 30, 1980, reported August 21. Shareholders' funds £4.16m (£3.54m), overdrafts £822,654 (£591,492), bank balances and cash £162,685 (£221,049). Chairman states that the first quarter has shown satisfactory results. Meeting, Caledonian Hotel, Edinburgh, September 25, at 12.30 pm.

LONDON TRADED OPTIONS

Option	Exercise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	300	50	4	68	—	—	—	344p
BP	330	30	2	50	—	58	—	"
BP	390	4	2	30	10	—	—	"
Com. Union	160	12	25	21	1	27	—	165p
Com. Union	180	4	—	10	20	15	—	"
Cons. Gold	460	87	—	112	1	—	—	536p
Cons. Gold	500	62	5	82	3	105	—	"
Cons. Gold	550	35	25	53	25	73	1	"
Cons. Gold	600	18	61	32	24	—	—	"
Courtaulds	60	7	50	12	52	13	—	62p
Courtaulds	70	3½	99	7	51	6½	—	"
Courtaulds	80	2	5	3	1	—	—	"
Courtaulds	90	¾	8	1½	—	—	—	"
GEC	390	190	34	140	—	—	—	493p
GEC	460	56	6	82	35	100	—	"
GEC	500	31	51	66	1	74	—	"
GEC	550	11	37	31	4	48	—	"
Grand Met.	120	35	26	41	—	—	—	151p
Grand Met.	130	25	4	32	1	—	—	"
Grand Met.	140	16	4	24	151	29	—	"
Grand Met.	160	5	22	13	8	19	1	"
Grand Met.	180	2	4	6	3	12	—	"
ICI	390	4	3	16	—	27	—	364p
Land Secs.	298	84	6	—	—	—	—	369p
Land Secs.	353	30	13	45	4	—	—	"
Land Secs.	390	10	3	25	—	39	—	"
Marks & Sp.	90	14	—	18½	3	34	7	102p
Marks & Sp.	100	7½	1	11½	—	16	—	"
Marks & Sp.	110	3	10	7	1	10½	—	"
Shell	390	28	1	50	—	32	—	410p
Shell	420	15	1	34	—	44	—	"
Shell	460	6	—	20	5	30	—	"
Totals			486		405		8	
		November		February		May		
Imperial Gp.	70	13	2	15	—	—	—	82p
Imperial Gp.	90	2½	10	5	50	5	70	95p
Lonrho	84	15	—	31	15	—	—	"
Lonrho	94	10	52	15	—	—	—	"
Lonrho	104	6	6	10	20	—	—	"
Lonrho	114	3½	4	6½	21	—	—	"
P. & O.	130	18½	3	22½	8	—	—	131p
P. & O.	130	12	8	17½	2	20½	—	"
Racal Elec.	280	45	5	61	—	74	—	307p
Racal Elec.	300	31	12	49	2	61	—	"
Racal Elec.	330	15	18	31	—	46	—	"
RTZ	390	90	2	108	—	—	—	456p
RTZ	420	65	—	83	—	102	2	"
RTZ	460	40	5	60	—	75	—	"
RTZ	500	15	49	40	2	55	—	"
Totals			176		130		72	

Nu-Swift holds profit but warns on second half

Taxable profits of Nu-Swift Industries improved marginally in the first half of 1980 from £514,000 to £520,000 on turnover £826,000 higher at £7.03m.

However, the directors warn that the company may not be able to match the same level of profitability in the second six months. Order intake levels in the last three months, they say, have shown a downward tendency and therefore they feel it unwise to make any quantitative forecast for the whole of 1980.

Referring to the first-half figures, the board says that to earn profits in excess of £500,000 and to maintain margins at the 1979 level is considered satisfactory.

Although turnover was up on the comparable figure, volume was down. The order book has also been reduced since the beginning of 1980 and now stands at £700,000. The company commenced the year with an order book of £1.01m, which was 20 per cent higher than at the same time the previous year.

The directors add that business confidence has been ebbing steadily since late 1979 and has continued into 1980. The second half of the year is really going to be a tough and testing period, they warn.

High interest rates, worsened by the strong pound, are only two factors limiting the company's investment intentions. More fundamental, the directors say, is the complete uncertainty about demand levels and generally a grave shortage of internal finance.

But the company is continuing to keep its stocks and customers under tighter control. Its liquidity, although not as satisfactory as it would like, has improved and continues to do so. The cash flow has not deteriorated.

The directors say they are determined to sell themselves out of the present recession by not only continually reviewing but increasing their efforts wherever and whenever necessary. But they add that their optimism must be subjected to a considerable amount of realism. It is their responsibility, they say, to anticipate and get ahead of events rather than letting them occur without challenge.

Profit for the six months after minorities showed a rise from £534,000 to £545,000. UK turnover during the period rose to £5.02m (£4.17m) but overseas sales showed a drop from £2.04m to £2m.

The interim dividend is a same-again 0.84p net. Last time a total of 2.05p was paid from taxable profits restored at £900,000. The adjustment to the 1979 figure was made following a loss by a Spanish subsidiary £148,000 in excess of the amount included in the group accounts. The final audited results of this company have only just become available and the loss will be incorporated in the 1980 accounts as a prior year adjustment.

Nu-swift manufactures fire extinguishers and extinguishing agents.

● comment

Perhaps chastened by last year's missed profits forecast (and a further downward revision yesterday), Nu-Swift is being cautious about second half prospects. This may be wise as the Spanish operation, which was expected to move into the black this year, recorded a sizeable first half loss and remains an unpredictable drain on earnings. Even excluding Spain, Nu-Swift is having a difficult time abroad with overseas sales contributing under 30 per cent of the total compared with a third last time. With home demand depressed and no new products due until next year, the immediate outlook is drab. Nu-Swift seems incapable of pushing earnings above the £1m mark under which they have languished for the past decade. It has substantial net cash resources (over £500,000 in the last balance sheet) but its recent spending sprees, notably Spain, have not proved roaring successes. Assuming profits after minorities of £900,000 for the year, the shares trade on a prospective fully-taxed p/e of over 10—on yesterday's price of 22½p. Given the soggy record, this is asking a lot. The yield is 13.2 per cent on a maintained final dividend.

Black & Edgington loss selling caravan maker

A LOSS before tax of £265,000 is reported by Black and Edgington, the camping, caravan and workwear group, for the six months to June 30, compared with pre-tax profits of £1.2m in the same period last year, and the interim dividend has been omitted.

Mr. Garry Moodie, the managing director, attributes the loss to sharply higher interest charges, up to £1.17m against £781,000, and trading losses in the caravan and clothing divisions. As a result of difficulties in the caravan business, the A-Line subsidiary is being sold to a private company for £1.1m, compared with a 1977 acquisition price of around £2m.

Mr. Moodie estimates that sales volume in the caravan division has dropped by 25 per cent in the first half of this year. He mentions in particular the decline of sales to the Continent as a result of the strength of the pound.

Group turnover for the six months was down from £35.24m to £33.97m.

"The caravan manufacturing industry is in dire straits at the moment," Mr. Moodie says. He adds: "We see no future in this market."

The group has agreed to sell A-Line Caravans to a private company owned by Mr. D. Wilkinson and Mr. R. Batty, who are existing executive directors of A-Line. Consideration is £1.1m in cash, of which £500,000 will be paid on completion and the balance in 12 three monthly instalments commencing June 30, 1982, which will carry interest at a commercial rate from January 1, 1982.

The initial proceeds of sale, together with the elimination of A-Line's borrowings from the group's balance sheet, will reduce Black and Edgington's borrowings by some £1.7m.

The directors say that the decision to dispose of A-Line has been taken in the face of mounting losses which are, to a large extent, the result of severe over capacity in the industry.

And they say the combination of the manufacturing activities of A-Line with the retail interests of Gailey Caravans, "has not been a success."

The financial loss involved in the sale is substantial, they state, but it must be weighed against the alternatives of its continuing trading losses or possible closure.

Mr. Moodie states: "It's obviously not a good deal, but the Board decided to cut our losses the sooner the better."

The board, with the exception of Mr. John Nash who dissented, and its financial advisers, Noble Grossart, consider that the terms negotiated represent a fair assessment of the market value of A-Line, and firmly believe it is in the interests of the group to proceed with the disposal.

Net assets of A-Line at December 31, 1979 were £3.05m, but these will, on the projected loss for the year, fall to around £2m at December 31, 1980.

The transfer of the company to Mr. Wilkinson and Mr. Batty, the original owners, who are resigning from the Gailey board will occur, "soon after the EGM" which Mr. Moodie says will be scheduled for later this month.

The effect of this is that caravan manufacturing losses this year will be around £1m, of which £750,000 will be attributable to Black and Edgington.

The directors believe it will be unlikely that the group will show a significant profit for the full year, but a recovery is anticipated in 1981. The question of a final dividend will be considered in the light of the position when results for the year are known—last year's interim was 2.2p, the final was 2.8p, paid from pre-tax profits of £1.42m.

● comment

The bottom of the UK market in caravans seems to have dramatically fallen away and Black and Edgington is one of the companies affected by this. Caravans International, for example, incurred a substantial loss recently and the whole sector has been ravaged by shrinking demand both at home and on the Continent. In the first half of this year the combined loss at the caravan manufacturing and distributing businesses may have come to £½m, which was joined by a loss in the group's clothing division of possibly £½m. The shares fell 5p to 28p yesterday. The sale of the A-Line business back to its original owners is undoubtedly ironic. But it seems an unavoidable exercise in group slimming and will not significantly hurt the group's net asset power of almost £19m. In addition group borrowings will be lowered to about £10m by the end of the current year against last year's £14m. The interim dividend has been passed and a decision on the final will have to be made in the context of a likely pre-tax profit for the year of under £100,000 and a cost last year of £525,000 for the final alone.

BIDS AND DEALS

BICC offers 110p—still wants asset confirmation

BY MICHAEL CASSELL

BICC, the electrical and engineering group, yesterday pressed on with its "unwelcome" and controversial attempt to win control of Higgs and Hill, the building contractors, and announced terms of a near-£10m bid.

In offering 110p in cash or shares for the capital of Higgs and Hill, BICC is, however, insisting on a joint auditors report to confirm net tangible assets of the group—included in the 1979 accounts at £12.3m.

Sir Raymond Pennock, chairman of BICC, said yesterday that the report should be drawn up by Higgs and Hill's auditors, Longcrofts, and by independent accountants Coopers and Lybrand. He emphasised that the offer would stand if net assets were found to be as much as £2m down on the last published figure.

When BICC first approached Higgs and Hill, it asked for an independent appraisal of the value of the work in progress—put at £48.4m in the last accounts—and of the group's net assets.

Higgs and Hill described the precondition as "unreasonable" and said that any valuation by outside accountants, who would inevitably prove ultra-cautious, could take months.

BICC said yesterday that it is asking the board of Higgs and Hill to agree to the accountants' investigation by the end of next week, otherwise the proposals will be withdrawn. The takeover panel has asked that the matter should be "speedily resolved."

Mr. Michael Julien, finance director of BICC, said his group believed that by adopting a joint-auditing approach, a valuation could be completed within about six weeks.

He stressed that BICC was not seeking to extract useful commercial information from Higgs and Hill and was extremely enthusiastic about a merger of the two groups' interests.

Mr. Julien emphasised that if the board of Higgs and Hill did not respond to the BICC request within the time laid down, then the possibility of a takeover bid would not be pursued any further. BICC would, he said, show no further interest in the group.

He explained that the independent valuation was regarded as a vital prerequisite to any agreement with Higgs and Hill, "bearing in mind the nature of the construction industry and the problems which have in the past arisen following other takeovers."

In a statement yesterday which offered to cover the costs of the independent audit, Sir Raymond Pennock said he understood the reluctance of Higgs and Hill to allow its books and records to be seen by outside accountants, but that an independent confirmation of net assets was essential.

If this could be agreed, BICC was "more than anxious to bring about the merger on terms and conditions which we believe will be considered generous by your shareholders and enable the boards and managements of our two companies to work amicably together in future."

Mr. Edwin Phillips, chairman of Higgs and Hill, said the proposed offer and its conditions would be discussed by the group's advisers and its directors although opposition to the principle of an independent investigation had not altered.

He said the BICC approach, and the manner in which it had been conducted, had not been welcome and had created harmful uncertainty within the group.

For BICC, the bid for Higgs and Hill comes after a detailed investigation of potential takeover candidates in the UK, part of its plan to strengthen and expand its existing construction activities.

These are grouped within its Balfour Beatty operation, which last year recorded a turnover of £328m against £106m at Higgs and Hill. Balfour Beatty made a £13.5m contribution to BICC group operating profits of £76.8m in 1979 while Higgs and Hill recorded pre-tax losses of £908,000 after exceptional provisions of £1.5m to cover losses on a Trinidad road contract.

Balfour Beatty has four "legs" to its activities, embracing civil engineering and building, electrical and mechanical engineering, power construction and engineering and consultancy.

If the approach to Higgs and Hill was successful, the new acquisition would retain its identity within the civil engineering and building operation and help fill in some of Balfour Beatty's market weaknesses.

In particular, its experience in the commercial and industrial building sector would be regarded as a very useful addition to Balfour Beatty's construction operations in the UK. Whatever commercial and industrial work Balfour Beatty now has, is largely concentrated in Scotland, whereas Higgs and Hill is particularly active in the south-east.

Balfour Beatty has a strong civil engineering operation and has work spread throughout the world—including harbour work in the Middle East, road contracts in Tanzania and dam projects in Sri Lanka.

Higgs and Hill last year decided to terminate its major civil engineering activities and BICC apparently would have no intention of pushing it back into that sector of the construction market, preferring to capitalise on its building expertise at home and overseas.

If the bid does not go through it seems unlikely that BICC will consider a similar approach to another company. Instead, it will choose to chase expansion by internal growth, a policy which could be supplemented by the purchase of smaller, non-quoted operations.

The group will still, however, be hoping that the directors of Higgs and Hill change their mind and give their approval to a deal which would create a specialist in domestic and overseas building and civil engineering on a par with competitors like Costain and Taylor Woodrow.

Danae holders question policy

A SHAREHOLDERS' revolt is brewing at Danae Investment Trust, a small split-level investment trust managed by Rivermoor Management Services. A notice has been sent to the company by parties claiming to act for shareholders representing 30 per cent of the voting shares which calls for the appointment of two new directors at next Wednesday's annual meeting.

These parties are Mr. Ancrum Evans, chairman of the privately owned Marlin Management Company, and stockbrokers Norman Collins and Co., who are recommending their clients not to re-elect two retiring directors, Mr. Stephen Cockburn and Mr. J. N. S. Ridgers.

In a letter which has been sent by Marlin to some 600 Danae shareholders, Mr. Evans expresses concern with what he claims is the trust's "poor investment performance." The appointment of two representatives is required "in order to discover what has gone wrong and to formulate positive plans for the benefit of both Income and Capital shareholders."

Among a number of complaints, Mr. Evans is concerned that "during the past 12 months, no further progress has been made in the declared objective of switching into equities."

In a reply which was sent to all Danae shareholders yesterday, Mr. G. W. Ashfield, the company's chairman, points out that Rivermoor was only appointed manager in December 1975 when the net asset value per income share was 19p. This had risen to 39.06p per income share at the end of May this year.

On the switch into equities, Mr. Ashfield admits that little progress has been made. He adds: "It remains the board's policy to achieve this but . . . the rise in interest rates has precluded further progress and as a result the potential for growth in income remains limited."

The board of Danae also claims that there are "certain inaccuracies" in the Marlin circular and urges shareholders to re-elect Mr. Cockburn and Mr. Ridgers.

Guinness Peat acquisition

Guinness Peat Group has acquired a 75 per cent interest in Aval Holdings for an initial consideration of 5,770 ordinary shares of 25p.

The total consideration payable by the company will be a sum equal to 60 per cent of the average pre-tax profits of Aval Holdings for the years ending April 30, 1989, 1990 and 1991 to be satisfied by the issue of further ordinary shares in Guinness Peat.

The move follows the acquisition by Mr. Ian Guild, through his private company, of the shares in Gerrard International from Gerrard and National Discount Company. Mr. Guild's private company, is to be renamed Guinness Peat Aval Holdings.

Astley and Pearce has acquired a 20 per cent stake in Aval Holdings and the balance of 5 per cent is to be retained by Mr. Guild.

Gerrard International, which has been renamed Guinness Peat Aval Limited, specialises in the provision of fixed-rate medium term re-financing of suppliers credits without resourse to the supplier. This has become an important source of trade credit for exporters in most industrialised countries, and Gerrard International is a major dealer in the London market with a trading volume for the year ended December 31, 1979 of approximately £36.5m.

Mr. Ian Guild has been managing director of Gerrard International since 1974 and will continue as managing director of Guinness Peat Aval Limited.

GRAND MET./ CORAL LEISURE

Grand Metropolitan moved into the market yesterday to pick up just over £3m worth of shares in Coral Leisure Group, for which it has just launched an agreed bid.

The bulk of its shares, 3.035m, were bought at 90½p, with the rest purchased at a slightly lower price. Grand Met has bid over £80m for Coral, whose interests cover casinos, betting, hotels and holidays. Its share purchase now gives it more than 3.5 per cent of the Coral equity.

Shares of Coral closed unchanged yesterday at 90p, with those of Grand Met edging up by 1p to 150p.

ROBERT MOSS

The annual meeting of Robert Moss, convened for September 17, cannot be held because the proper period of notice was not given to shareholders. The AGM will now be held on October 2, and the final dividend paid on October 3.

U.S. Government lifts objection to Merck's £23m Alginate deal

The U.S. Justice Department has filed an agreement aimed at ending its legal challenge to last year's £23m acquisition by Merck and Co. Inc., the New Jersey-based pharmaceutical group, of Alginate Industries of the UK.

The department acted a year ago to block the deal because it charged that the companies' combined sales of a commercially-used seaweed would create a near-monopoly in the U.S. market.

This week's proposed consent decree, which was filed in the U.S. District Court in San Diego, California, will become Merck's Kelco division has its headquarters there.

Under the agreement, Merck is required to divest itself of Scotia Marine Products, a Canadian subsidiary which produces alginate in Nova Scotia.

Merck is also prohibited for 10 years from acquiring, other than through a corporate re-organisation or with the department's approval, all or any part of the voting securities or the assets of any producer, distributor, or seller of alginate unless the assets are acquired in the normal course of business.

Alginate Industries is the world's largest producer of the seaweed extract used in a number of drugs and foods: its U.S. company accounts for around 8 per cent of the U.S. market. Merck's Kelco division has some 80 per cent.

Yesterday, Mr. Howard F. Powers, Merck's group vice president commented: "This satisfactory resolution of the suit removes the final impediment to our plans to increase and diversify our foreign activities."

SHARE STAKES

R. P. Martin and Co.—Tangora Inc. (registered in Panama) has acquired 167,856 ordinary (4.07 per cent) making holding 825,856 (20 per cent).

Great Northern Investment Trust — Pearl Assurance Company has acquired 150,000 ordinary making holding 2.95m (6.08 per cent).

Five Oaks Investments — The company has been informed by Mr. P. Bennett of Security Growth that 338,500 ordinary is held over which control is as follows: Harris Allday Lea and Brooks Nominees, 287,500; Edgeport Nominees, 32,000; Simon Bingham, 5,000; Mrs. Doreen Parry, 9,000; and Conl Gilbert and Sankey Nominees, 5,000. This takes interest to just over 8 per cent.

Home Counties Newspapers — The holding of Clydesdale Park (Head Office) Nominees has increased by 2,089 ordinary to 152,089 (6.084 per cent). The beneficial owner of this holding is M and G High Income Fund.

AGB RESEARCH IN AUSTRALIA

AGB Research is acquiring a majority interest in the market research activities of Mcnair Anderson of Australia.

The consideration for the 60 per cent interest to be acquired will be fixed by reference to Mcnair's profits for the year ended June 30, 1980, and its net tangible assets at that date. It is expected to amount to between 10 and 15 per cent of AGB's shareholders' funds at April 30, 1980.

The agreement has been structured so that there will be a substantial and continuing Australian shareholding and Mcnair Anderson will continue to operate under its present name with its existing board of directors and staff.

"The move will help finance expanded activity by the Mcnair Anderson company within Australia and in nearby areas," the chairman, Mr. Ian Mcnair, said.

The deal, which will include AGB taking a majority interest in Mcnair Surveys (NZ), is subject to approvals under the Australian Government's foreign investment policy.

Slavenburg's Bank to buy Schlesinger

NV Slavenburg's Bank of Holland has reached agreement to take over Schlesinger, a private financial institution, subject to UK Treasury approval.

The consideration will be satisfied partly in cash and partly through the issue of Slavenburg's shares. Slavenburg's gave no price details, but said the share issue and further share placements with institutional investors at around the Bourse price for the shares will raise its issued capital by Fl 3m (£640,000) nominal.

Slavenburg's issued capital at the end of June, 1980, was Fl 125m and it had a balance sheet total of Fl 10.4bn. Its shares closed at Fl 213.2 on the Bourse on Tuesday.

Schlesinger made a pre-tax profit of £843,000 in the year ended March 31 and had a balance sheet total of £36.1m. It has applied to the Bank of England for a licence and is currently on the pending list.

ELECTRA TRUST $6M INVESTMENT

Electra Investment Trust has invested $6m in a security issued by the Bahia Mar Hotel and Yachting Center Inc. The investment will entitle Electra to a fixed interest return plus an entitlement to participate in profits and gains derived from the Bahia Mar operation.

The Bahia Mar complex is situated in Fort Lauderdale, Florida, and comprises a 300-room hotel, restaurant and marina. The parent company of the Bahia Mar Hotel and Yachting Center Inc. was recently acquired by a subsidiary of Oppenheimer and Co.

Wheelabrator-Frye poised for Pullman bid victory

BY PAUL BETTS IN NEW YORK

WHEELABRATOR-FRYE, the U.S. environment control and synthetic fuel systems manufacturer, yesterday seemed poised to win its hard fought battle for control of Pullman, the Chicago railway car, engineering and construction concern.

Outflanking J. Ray McDermott, which last week topped Wheelabrator's "friendly" bid to acquire Pullman, Wheelabrator and Pullman announced yesterday a revised agreement valued at nearly $500m, to merge the two companies.

The revised deal involves a Wheelabrator $52.5 a share offer for 3m Pullman shares, followed by a merger under which each Pullman share not purchased in the tender offer would be exchanged for 1.1 shares of Wheelabrator common stock.

Wheelabrator will also have an option to buy an additional 1m Pullman shares under the offer, and a further option to buy 1.8m new Pullman shares at a cash price of $36.875 a share.

Moreover, the two companies reached a definite agreement whereby Wheelabrator will buy Pullman's engineering and construction business, including its Kellogg energy engineering division, for $200m.

Last month, Wheelabrator made an overall offer worth some $432m for control of Pullman involving a $43 a share bid and an option to buy all assets and liabilities of Pullman's engineering and construction subsidiaries. But this was subsequently topped last Friday by McDermott, the New Orleans energy engineering and construction services company, which offered to buy as many as 6.3m Pullman shares for $43.5 a share.

Originally, McDermott had offered to buy 2m Pullman shares at $28 a share to increase its stake in the company to about 23 per cent.

Finally, on Tuesday, Pullman said it would seek a preliminary injunction against McDermott's $43.50 a share offer, while the company's board was holding talks with Wheelabrator.

Barring the unexpected, the troubled railway car manufacturer, whose assets are currently valued at about $1.3bn, now appears to have succeeded in blocking a McDermott takeover following yesterday's revised agreement with Wheelabrator.

In particular, the definite agreement to sell all its engineering and construction assets, including its much sought-after Kellogg division, to Wheelabrator, is expected to do the trick as McDermott has had its sights particularly set on Kellogg which it hoped to marry with its energy operations.

Dollar bond prices again higher

BY FRANCIS GHILES

STRAIGHT DOLLAR bond prices were again firm yesterday, closing about ¾ of a point higher. The rise was spurred by the good performance of the New York bond market and a further easing in U.S. interest rates. Six-month Libor shed ¼ per cent yesterday to finish at 11⅞ per cent.

When Credit Suisse First Boston announced its first public deferred payment issue for Alcoa three weeks ago, the bank was completing a similar type of bond — on a private basis — for General Motors Overseas Finance NV, with the guarantee of the parent company. The size of the issue is $100m over 5¼ years with a coupon of 11 per cent. It was priced at a slight discount from par, giving an effective yield of just over 11 per cent. Final payment of $75m is to be deferred until April 1, 1981.

Alcoa of Australia's issue was an $80m 10-year bond with a 12½ per cent coupon.

The deferred payment technique requires investors to put down 25 per cent of the purchase price of the bonds immediately and the balance later but the downpayment represents no more than an option to buy the paper.

Foreign DM bond prices improved slightly yesterday after Tuesday's sharp falls following the federal government's introduction of new Schuldscheine notes offering the very high yield of 8.18 per cent from four to ten years. Seasoned issues offering a return between 8¼-8½ per cent were most keenly bid, especially from abroad.

In the Swiss franc sector, seasoned issues were marked up by ¼ of a point. Dealers quoted the strength of the Swiss franc against the U.S. dollar as one of the reasons for good demand from abroad.

The Kuwaiti dinar issue for the City of Oslo—the first in this sector since November 1979—has been priced by lead manager KIIC at 99½ per cent. At this level, with a coupon of 9¼ per cent, the ten-year bonds yield 9.37 per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on September 3

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit. Oxygen F. 10¾ 90	50	85¾	85⅞	+0⅛	0	13.45
CECA 11½ 88	100	94⅛	94¾	+0⅛	−0⅛	12.63
Citicorp O/S Fin. 10 86	300	90⅝	91	+0⅛	+0⅛	12.29
Con. Illinois O/S 9¾ 88	150	88⅞	89⅜	+0⅛	+0⅛	12.53
Denmark 11¾ 90	100	93⅜	93⅞	+0⅛	+0⅛	12.91
Dome Petroleum 13½ 92	50	100⅛	100	+0⅞	+1⅛	13.34
EEC 11 95	75	87⅞	86	+0⅛	+0⅛	12.88
EEC 11 95	70	86⅝	87	0	−0⅛	13.05
EIB 11¾ 92	80	91¾	92¼	+0⅛	+0⅛	13.07
EIB 13¾ 90	100	102⅞	103⅛	+0⅞	+0½	13.17
Eksportfinans 11⅞ 87	50	95⅜	95⅞	+1⅛	+0⅛	12.24
Eksportfinans 9½ 87	75	85⅜	85⅝	+0⅛	0	12.81
Elec. de France 10 88	125	88⅜	88⅞	+1⅛	+0⅛	12.33
Export Dv. Con. 12½ 87	100	101½	102	+1⅛	+1	12.32
Export Dv. Con. 9½ 88	150	89⅞	90⅛	+0⅛	+0⅛	12.07
Federal Dev. Bk. 12⅛ 85	75	100½	101	+0⅛	+0⅞	11.99
Fin. Exp. Credit 10½ 85	50	92⅝	92⅞	+0⅛	0	12.68
Finland Rep. of 9½ 88	100	87⅜	87⅝	+0⅛	+0⅛	12.78
Ford O/S Fin. 12⅛ 85	250	97⅞	98½	+0⅛	+0⅛	13.21
George Weston 13½ 87	30	†100⅜	101⅛	+0⅛	+1⅞	13.23
GMAC O/S Fin. 11 84	100	96	96½	+0½	+0⅛	12.13
GMAC O/S Fin. 13⅛ 85	100	102½	103	+0½	+0⅛	12.50
Goodyear O/S 12½ 87	75	97⅞	98⅛	+0⅛	+0⅛	12.96
Hudson's Bay 11½ 90	75	91⅝	92⅛	+0⅛	+0⅛	12.99
IBM Canada 10½ 85	50	95½	96	+0⅞	+0⅛	11.88
ICI Fin. Ned. 11 83	100	97½	98	+0⅛	+0⅛	11.96
Int. Harvester 12¾ 85	115	99	99½	+0⅛	+0⅛	12.95
McGraw 13½ 85	75	100⅜	100⅞	+0⅛	+0⅛	13.26
NbrWest Ind. 13⅞ 87	50	99⅜	100⅜	+0⅛	+1	13.55
Nova Scotia 10¾ 90	50	91⅛	91⅜	+1⅛	+1	12.27
OKB 10 85	50	93½	93⅞	+1½	+0⅞	11.81
Pembroke Capital 9¾ 87	100	†87⅞	88⅜	+0⅛	−0⅛	12.33
Pemex 11½ 88	100	92½	93	+0⅛	−0⅛	13.01
Quebec Hydro 11½ 92	100	91⅛	91⅜	+1⅛	+0⅛	12.92
Repsteel O/S 11½ 88	100	88½	89	+0⅜	+0⅛	13.93
Rovleese Ltd. 11⅛ 85	50	96⅜	96⅞	+0½	+0⅛	12.23
SNCF 12⅛ 85	50	100⅛	100⅝	+0⅛	−0⅛	12.22
Swed. Ex. Cred. 12½ 85	40	99⅜	100⅛	−0⅛	+0⅛	12.45
US Finance BV 11 90	50	88½	89	+1⅛	+1½	13.08
Unilever NV 9¾ 90	100	84⅞	85⅛	+0⅛	+0⅛	12.44
World Bank 9¾ 85	200	90⅞	91⅛	+0⅛	−0⅛	12.29
World Bank 10⅛ 87	300	90⅝	91⅛	+0⅛	−0⅛	12.29

Average price changes... On day +0⅛ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Akzo 9 90	125	101	102	−0⅛	−0⅛	8.75
Australia 8⅛ 90	250	99⅞	100⅜	−1½	−1½	8.09
BFCE 7¾ 87	100	97⅜	98½	+0⅛	−0⅛	8.12
BFCE 8⅞ 95	100	98⅜	99⅜	0	−0⅛	8.21
Brazil 8 87	150	86⅛	87	−2⅛	−2¼	10.84
Council of Eur. 7¾ 88	100	94⅛	95⅛	+0⅛	−1⅛	8.11
Denmark 7⅞ 88	100	98½	98⅞	0	−0⅛	8.21
Denmark 8¼ 92	100	99⅜	99⅞	0	−0⅛	8.31
EEC 7⅞ 94	225	96½	97⅛	+0⅛	−0⅞	8.25
Finland Rep. of 8 88	150	98⅜	99⅛	−0⅛	−0⅛	8.14
Iberduero SA 9 90	[illegible]	98⅞	99⅜	0	+0⅛	8.11
Kobe, City of 7¾ 89	150	94⅛	94⅞	+0⅛	−0⅛	8.00
Kobe, City of 8 90	100	99⅜	100⅛	+0⅛	0	8.03
Mt. Bk. Denmark 8½ 90	150	99⅞	99⅞	0	−0⅛	8.57
Norway 7½ 85	250	98⅜	99⅛	+0⅛	−1	7.76
OKB 7⅛ 89	100	94⅜	95⅛	0	−0⅛	8.17
OKB 8¼ 92	150	98⅞	99⅜	−0⅛	−1	8.35
Oslo, City of 8⅛ 90	80	102¼	102¾	−0⅛	−0⅛	8.34
Sweden 9¼ 87	200	106⅝	107⅛	0	−1	8.36
World Bank 8 90	100	98⅜	99½	+0⅛	−0⅛	8.13
World Bank 7⅞ 90	250	97	97⅜	+0⅛	−0½	8.28
World Bank 10 88	150	106⅝	107⅛	0	−1⅛	8.43
World Bank 10 90	200	109¼	110	−0⅛	−1⅛	8.49

Average price changes... On day −0⅛ on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	91½	92	−0⅛	+0⅛	5.77
Bergen, City of 4¾ 91	40	†93½	94	+1⅛	+1½	5.53
Bergen, City of 6 90	50	102⅜	103	+0⅛	+1⅛	5.61
BNDE 5 89	75	83⅛	83⅝	+0⅛	+0⅛	7.62
BMW Overseas 4¾ 91	100	93¼	93½	+0⅛	+0⅛	5.04
Buhrm'n-Tetterode 7 90	40	104⅞	104½	+0¼	+0⅛	8.37
Celase Nat. Tele. 4¾ 89	100	94⅛	94⅝	+0⅛	+0⅛	5.19
Copenhagen 4½ 91	60	†87½	88	+1⅛	+0½	8.05
Council of Eur. 5 89	100	94⅝	95	−0½	+0¼	5.73
Denmark 5¾ 90	80	100⅛	100⅝	0	+0⅛	5.71
EIB 4⅛ 94	100	85	85⅛	+0⅛	−0⅛	5.97
Elec. de France 4⅜ 89	100	93½	93⅞	+0½	−0½	5.29
F. G. H. Hypo. Bk. 8 90	50	†103	103½	0	0	5.56
GZB 4¼ 89	100	†89	89½	+0⅛	+1⅞	5.80
Hilti 4½ 91	35	91⅝	92	+0⅛	−0⅛	5.23
Int.-Amer. Dev. 4½ 89	100	92⅛	92½	+0⅛	+2½	5.63
Int.-Amer. Dev. 7 90	80	105½	105¾	0	+0½	6.20
Jutland Tels. 5½ 90	50	†100	100½	+0⅞	+2⅛	5.46
Malaysia 5 89	80	89⅞	90⅛	+1⅛	+2¼	6.49
Neweg 5¾ 90	80	101⅛	101⅞	+0½	+1⅛	5.61
Nippon Tel. & T. 4⅛ 89	100	92⅛	93	−0⅛	+0⅛	5.26
Nordic Bank 5 89	45	95	95⅛	+0⅛	+1	5.71
Norges Komm. 4¾ 91	100	†89½	90	+0⅛	+2	5.64
OKB 4⅜ 91	100	88⅞	89⅛	+0⅛	+1⅛	5.74
OKB 8 90	100	103¼	103½	+0⅛	+2⅞	5.53
Oslo, City of 4⅛ 91	100	†88	88½	+0½	+1⅛	5.84
Sekisui Pre. Hms. 8 90	80	103⅜	103⅝	−0⅛	+0⅛	5.53
Shikoku El. Pwr. 4¾ 89	100	94½	94½	+1⅛	+1⅛	5.58
World Bank 4⅛ 89	100	93⅛	93⅞	−0⅛	−1⅛	5.53
World Bank 4⅜ 89	150	90⅜	91	+0⅛	+2¼	5.69
World Bank 4⅛ 91	100	89⅜	90	0	+2⅛	5.88

Average price changes... On day +0⅛ on week +1½

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	91⅝	92⅛	−0⅛	−0⅛	8.69
Australia 6½ 89	20	88	89	0	−0⅛	8.64
EIB 7¼ 89	12	96⅝	97⅛	+0⅛	−0¼	8.23
Finland 5.8 83	10	91	92	0	−0⅛	8.79
Finland 6.8 88	10	87⅛	88⅛	−0⅛	−0½	9.02
Finland, Rep. of 8⅛ 97	15	96¾	97⅛	−0⅛	−0⅛	8.92

Average price changes... On day −0⅛ on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅜ 86 C$	60	91⅛	93	+0⅛	−0⅛	12.61
CIBC 13½ 85 C$	90	99⅞	100⅜	0	−0½	13.37
CIBC 11½ 85 C$	60	95⅛	95⅞	+0⅛	−0⅛	12.78
Federal Dev. 11½ 90 C$	60	89⅛	90⅛	−0⅛	−1⅞	13.39
Fst. Can. Inv. 10 84 C$	50	91⅛	92½	0	+0⅛	12.85
GMAC 12 85 C$	50	†95⅛	96⅛	0	−1⅛	13.14
R. Bk. Canada 10 86 C$	40	90⅝	91½	−0⅛	−1⅛	12.22
Tordom Cpn. 13½ 85 C$	30	100⅛	100⅝	−0⅛	−0⅛	13.33
M. Bk. Dnmk. 9 91 EUA	25	93⅞	95⅛	0	0	9.82
SOFTE 8¾ 89 EUA	40	88⅞	89½	0	0	10.24
U. Bk. Nrwy 9½ 90 EUA	75	99	100	−0⅛	−0⅛	9.56
Algemene Bk. 8¾ 84 Fl	75	95⅛	96⅛	−0⅛	+0⅛	9.49
Algemene Bk. 10¼ 87 Fl	400	99⅛	99⅞	−0⅛	−0⅛	10.32
Bk. Mees & H. 10 85 Fl	75	100	100½	+0⅛	+1	9.92
Heineken NV 10 87 Fl	75	100⅜	101¼	+0⅛	+0⅞	9.78
Norway 8¾ 84 Fl	100	95⅜	96¼	+0⅛	−0⅛	9.47
Philips Lamps 8¾ 84 Fl	75	95⅞	95⅞	−0⅛	−0¼	9.81
Aero Paris 13½ 87 FFr	150	99⅜	100⅛	+0⅛	+0⅛	13.09
Air France 11 94 FFr	120	96½	97⅛	0	−0½	12.10
CECA 14¼ 86 FFr	150	105½	106½	0	+0⅛	12.63
Finland 11 84 FFr	80	93½	94½	0	0	12.90
Finland 11½ 89 FFr	70	93	94	0	0	12.73
Gaz de France 11 94 FFr	150	95⅛	96⅛	0	0	12.30
IAM France 11⅞ 84 FFr	120	95½	96½	0	0	13.09
Renault 9¾ 85 FFr	100	88⅛	89⅜	0	0	13.00
Solvay et Cie 9¾ 87 FFr	125	85	88	0	0	13.13
Utd. Mex Sts. 14 85 FFr	150	100⅛	101⅛	0	0	13.69
Beneficial Fin. 14¼ 90 £	20	97¼	98⅛	+0⅛	−0½	14.61
Citicorp O/S 13½ 90 £	50	98⅛	98¾	+1½	0	13.75
EIB 11½ 91 £	25	88⅜	88⅞	+0⅛	−2⅛	13.57
Fin. for Ind. 12½ 89 £	30	94¾	95½	+0⅛	−0¼	13.45
Fin. for Ind. 14½ 88 £	20	100⅝	101½	+0⅞	−0⅛	14.25
Gen. Elec. Co. 12½ 89 £	50	94½	95⅛	+0⅛	−1½	13.51
Peugeot SA 14 90 £	23	98⅜	98⅞	+1⅛	+0⅛	14.25
Swed. Ex. Cr. 15⅛ 85 £	20	102½	103⅛	+0⅛	0	14.32
Sonobras 8¾ 90 KD	7	†93	93½	−1⅛	−1½	9.33
CCCE 8⅛ 91 KD	10	†94	94½	−0⅛	−0⅛	8.98
Sonatrach 8½ 90 KD	12	†94	94½	−1½	−1⅛	9.77
Akzo 9¾ 87 LuxFr	500	94⅜	95¼	+0⅛	+0⅛	10.21
Euratom 8 87 LuxFr	500	88½	89½	−0⅛	0	10.37
Euratom 9¾ 88 LuxFr	500	98⅛	99⅛	0	−0⅛	10.00
EIB 9¾ 88 LuxFr	500	98⅞	99⅜	−0⅛	−0⅛	8.95
Volvo 9¾ 87 LuxFr	500	96⅞	97¼	+0⅛	+0⅛	10.39

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5⅛ 87	0¼	97⅞	98⅛	2/1	10.44	10.66
Bank of Ireland 5¾ 89	‡0¼	97⅜	98⅛	21/11	11⅛	11.62
Bank of Tokyo 5⅛ 89	‡0¼	96⅞	97⅛	25/10	9⅛	9.52
Barclays O/S Inv. 5 90	0⅛	97	97½	13/12	9⅝	9.90
Bergen Bk. A/S 8 89	‡0¼	97½	97⅜	29/11	12¼	12.58
Bilbao Int. NV 5¾ 90	0¼	96⅝	97⅛	29/11	10.06	10.37
Citicorp O/S F. 83	§‡0	98⅛	99⅛	23/11	11.44	11.51
Citicorp O/S F. 84	‡0	98⅞	99⅛	30/9	11.94	12.07
C. Itoh 5¼ 87	0¼	99⅛	99⅝	13/9	19.44	19.56
Co-operative Bk. 8 86	0⅛	98	98½	15/11	11.44	11.64
Creditanstalt 5⅞ 91	§‡0¼	97⅜	99½	14/9	9.44	9.64
CNT 5⅜ 85	§0¼	99⅜	100¼	18/10	18⅛	18.13
GZB 5½ 89	‡0¼	97⅛	98⅛	1/11	9.81	10.00
Jugobanka 8 89		90	92	23/11	11⅛	12.77
Ind. Bank Japan 5⅛ 87	0¼	99⅜	99⅞	15/10	18⅜	18.82
Lloyds Eurofin 8 90 £	0¼	96⅞	96⅞	3/1	15⅛	16.38
LTCB Japan 5⅛ 86	0¼	98	98½	13/12	9⅛	9.80
LTCB Japan 5½ 89	0¼	97¼	98¼	7/12	10⅛	10.33
Mfrs. Han. O/S 5⅛ 94	‡0⅛	97⅛	97¼	30/11	12⅛	12.44
Midland Intl. Fin. 9 89	0⅛	97⅜	97⅞	20/12	9½	9.74
Midland Intl. Fin. 5¼ 92	0⅛	97¼	97⅜	5/12	10⅞	11.15
Nacional Fin. 6⅛ 86	0¼	97⅛	97⅝	25/1	9.89	9.92
Nat West 5¾ 94	§0⅛	99	99½	11/10	18⅝	18.77
Nippon Credit 6½ 86	0⅛	97⅛	97⅜	12/1	9.56	8.82
Nippon Credit 5⅛ 87	‡0¼	97⅜	98⅛	6/11	10⅞	11.11
Royal Bk. Scot. 5⅛ 94	§‡0⅛	98⅛	98⅜	11/10	9.31	9.45
Soc. C. de Bque. 6½ 87	0¼	98⅜	98¾	3/10	20.06	20.27
Standard Chart. 5⅛ 90	0¼	98⅜	99⅛	8/9	17⅜	17.42
Svenska Hndlobk. 5 87	0⅛	97⅞	98½	15/1	10	10.19
Sweden 8¼ 91	‡0¼	†96	96½	18/10	8.56	8.64
Williams & Glyn 5¼ 91	0⅛	98⅜	98⅞	14/9	18½	18.78
Bq. 9. d'Alg. 4¼ 89 SF	0⅛	†90	90½	18/12	8½	8.79

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	†115	116	+1	−2.28
Ajinomoto 7⅛ 95		615.5	120⅝	121⅛	+1	−1.91
Alco Int. Fin. 9¼ 94	1/80	40	93½	94¾	+0⅛	17.18
Apache I. Fin. 8¾ 95	12/80	21.12	121½	122⅜	−0⅛	−4.45
Asahi Optical 7 94	11/79	526.1	96⅝	97⅛	−0⅛	−3.56
Blocker Energy 8¾ 95	1/81	21.87	96½	97⅛	−0⅛	6.23
Canon 6¾ 94	8/79	570	109⅜	110⅜	0	0.14
Credit Suisse 4¾ 93	10/79	1278	112⅜	114⅛	+0⅞	−0.31
Daiei Inc. 6½ 94	11/79	927.3	97⅛	98⅛	0	23.52
DDKK 11 90	4/80	324	102⅞	103⅞	−0⅛	11.58
Dynalectron 9½ 95	8/80	12.22	107	108¼	+0⅛	−2.58
Ensearch Fin. 9½ 94	7/80	30.25	127	128½	+5⅛	−0.25
Inchcape Ltd. 8 95	2/81	4.55	102⅞	103⅞	+1⅛	1.96
Meidensha Elec. 7 94	12/79	210	103	104	+0⅛	0.01
MEPC 8¾ 96	2/81	2.47	104⅞	105⅞	+1⅛	10.30
Mitsubishi Co. 6½ 94	10/79	549.1	131⅛	132⅛	+4⅛	2.78
Ricoh 6⅛ 95	8/80	604	100⅞	101⅞	−0⅛	5.88
SBC 6¾ 90	8/80	200	99	100	+0⅛	3.45
Toshiba Con. 7¼ 94	10/79	198	106½	107½	+0⅛	−1.31
Union Bk. Switz. 5 89	2/80	121.4	103⅜	104⅛	−0⅛	3.97
Fujitsu 5 94 DM	7/79	475	108⅜	108⅞	+0⅛	4.66
Sharp Corp. 5⅛ 88 DM	9/80	695	105⅜	105½	+0⅛	3.67
Uny Co. 6½ 85 DM	11/79	1071	98⅛	98⅝	−0⅛	23.84

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Optimistic earnings outlook at Loral

By Terry Byland

MR. BERNARD SCHWARTZ, chairman and chief executive officer of Loral Corporation, the manufacturer of aircraft electronic warfare systems said yesterday that he was "comfortable" with estimates by Wall Street analysts that the company would report earnings increased from $1.65 a share to around $2.00 or total net of $20m for the current year.

Loral has now completed the acquisition of Frequency Sources for $55m in stock. Frequency designs and manufactures microwave devices, components and systems. Two-thirds of its output is in electronic warfare items which make up more than 70 per cent of Loral's earnings.

Shareholders were told at the annual meeting that in the current year domestic sales backlogs will grow faster than those from overseas.

Trustco details rejection of Campeau bid

By Robert Gibbens in Montreal

THE BOARD of Royal Trustco, Canada's largest trust company, with assets of C$26bn (US$39m) under administration, says that Campeau Corporation should not be allowed to buy control because "it is constantly seeking mortgage financing for its own developments."

In giving further reasons for their rejection of Campeau's C$413m offer, the directors of Royal Trustco said their company has never been controlled by any one person or group, and the bid is not in the best interests of the company or its depositors.

Campeau Corporation is controlled by Mr. Robert Campeau, the Ottawa property millionaire. Its bid of C$21 per common share of Royal Trustco and C$29.93 for the preferred has the support of a Toronto financial holding company.

Royal Trustco says that there are "legal deficiencies" in the Campeau offer circular sent out at the weekend and "appropriate legal action" will be taken.

It also says there would be complications over the company's subsidiary operation in Florida. Legal counsel in the U.S. has advised that control of Royal Trustco cannot be acquired without U.S. Federal Reserve approval, and failure to obtain this in advance would be an offence against U.S. law on the part of Campeau Corporation. It could lead to forced divestiture of Royal Trustco's Florida banking operation.

More than 10 per cent of Trustco's common shares were traded on the Canadian exchanges on Tuesday, including one block of 555,000 shares at C$21¼ or slightly higher than the Campeau offer. There was speculation that investors friendly to the Royal Trustco board were buying strongly in the market.

Slow trade at stores group

By Our Financial Staff

EARNINGS OF $13.2m or $1.06 a share for the second quarter are reported by American Stores, the group formed by the merger in the middle of last year of Skagg Companies and American Stores. On a pro forma basis, the comparable earnings were $14.3m or $1.18 a share. Sales, on a similar basis, have edged forward from $1.52bn to $1.58bn.

At the six-month stage, earnings were $25.9m or $2.07 a share, compared with $32.3m or $2.74 a share. Sales were $3.11bn against $2.96bn last time.

New contract for RCA head

By Our Financial Staff

THE DIRECTORS at National Broadcasting (NBC) have extended the employment contract of Mr. Fred Silverman, president and chief executive of the RCA unit, to December 31, 1982. His current contract would have expired next June.

Mr. Silverman has been under pressure to move the broadcasting network out of third place in the network ratings race. He once said he would resign by this Christmas if his network was not in first place. More recently, however, he said he would resign if NBC did not show "significant improvement" in the ratings by Christmas.

Brascan drops offer

Brascan, holding company for the interests of the Bronfman Brothers of Toronto, is dropping its bid for control of McIntyre Mines and Falconbridge Nickel after having its bid rejected by Superior Oil, McIntyre's major shareholder, reports Robert Gibbens.

MEXICAN STOCK EXCHANGE

Waiting for the right nudge

BY JOHN FRASER IN MEXICO CITY

IN SPITE of all the ingredients for a healthy new upsurge, Mexico's fickle stock market has failed to carry through its spectacular growth into the 1980s and seems set for some further stagnation.

To all outward appearances, the 86-year-old Bolsa Mexicana de Valores was ready for a new take-off several months ago and the experts were talking about the imminent creation of a fully-fledged capital market for Mexico's rapidly expanding economy, still largely dependent on short-term banking credits at relatively high rates of interest.

Instead, the market has remained thin and the 29-stock price index is again hovering round the 1,200 mark where it started the year — a perverse performance in the face of Mexico's economic outlook, which includes a hefty 8 per cent annual growth rate fuelled by oil revenue estimated this year at $12bn.

Local brokers blame mainly psychological factors influencing the market, which emerged reorganised from Mexico's 1976 peso devaluation to become the world's fastest growing exchange in 1978 and in the first half of last year.

With their country's turbulent history and the recent trauma of the 45 per cent devaluation, Mexican investors are notoriously nervous about investing and take a lot of persuading that the climate is right.

Their insecurity was reinforced last year when the Bolsa, which lists 108 stocks, enjoyed a four month speculative boom, attracting small investors and lottery addicts onto the bandwagon and sparking a flood of new issues. The bubble burst at the beginning of June when the index had reached 1,800 points — over four times its January 1978 level.

By early August last year, the index had fallen back to 1,200 and the volume of stocks traded, which hit 900m pesos ($41m) at the peak, had dropped 40 per cent, leaving many people nursing burnt fingers.

But there was little panic and the market levelled out with brokers predicting several months of consolidation before it would pick up again. The expected surge was delayed early this year by the rush for precious metals and the high international interest rates, but by May the rates were down and companies were reporting a mouth watering average 45 per cent increase in first quarter earnings. All the signs pointed to revival.

With no capital gains tax on share trading and the lowest price-earnings ratio for years, stocks appeared to be a good investment, promising a hedge against a national inflation rate expected to be at least 25 per cent this year.

Demand did increase in June and the index rose to 1,350, but then investors became jittery, largely from a series of coinciding factors which would probably not have deterred a more mature market.

These included a scare over reports that the ruling Institutional Revolutionary Party (PRI) was floating an old idea of a trade union for bank employees. Such a union could exert influence on the banks' large stock market activities—or so the thinking went—and the index dropped 100 points in a week.

Despite his radical foreign policy rhetoric, President Lopez Portillo has domestically run a business-orientated administration and worked to restore confidence in the private sector since taking office in the aftermath of the 1976 crisis. Among other things, the administration has promoted the capital market growth in the face of opposition from the private banks and left-wing criticism.

As well as providing fiscal incentives, for example, it has limited to the Bolsa the trading in new 91 day Treasury certificates and petrobonds—a highly successful commodity bond whose redemption value is linked to the ruling price for crude oil.

The latest instrument to be channelled through the Bolsa—commercial paper—was given the go-ahead by the governing Commision Nacional de Valores last week. Sr. Gustavo Petricioli, the commission chairman, said public companies would be allowed to offer paper for up to 91 day terms in 10,000 peso denominations at a yield slightly above the current 22 per cent for Treasury certificates. Total offerings are to be limited to 1.5bn pesos ($68.5m).

Mexico's stock exchange has yet to record the sharp upturn widely predicted for 1980 but the local financial community remains convinced that the market, backed by the country's proven oil reserves, must soon resume its rising trend

The new instrument will help consolidate the Bolsa, which with only 40 active stocks and a lack of liquidity suffers from instability, but brokers are anxious to find out whether the paper will attract funds now, either in shares, Treasury certificates or bank deposits.

Peso interest rates stopped falling in June—providing the principal real negative element affecting the exchange—and investors became further alarmed in July that a drought in the northern states and a programme of power cuts caused by generating problems could cut into industrial performance this year.

A political factor entered the picture in the first weekend of August when President Jose Lopez Portillo paid a triumphal visit to Cuba which produced declarations of close friendship between Mexico and the Caribbean Communist state.

The market then entered a traditionally sluggish period of the year when traders retire to the sidelines in nervous anticipation of the informe—the state of the union address in which the President sets out his programme for the coming 12 months.

Investors still suffer from raw memories of the sharp leftward swing taken by the last President, Sr. Luis Echeverria, which led to the 1976 crisis, and they were looking for reassurance in the annual address, delivered on Monday.

Predictably the President's three-hour speech contained none of the bad news the pessimists were dreading, such as a peso devaluation. Instead he reaffirmed his faith in the establishment of a Mexican capital market and gave a further boost with news that the country's proven petroleum reserves had leaped from 50bn to 60bn barrels.

While the President's address dispelled fears about Government intentions, its bullish effect may have been dampened by a further rise in bank three month interest rates from 19.5 per cent to 20.4 per cent over the weekend.

With the uncertainties over the new instrument and the interest rate rise, analysts believe something more is needed to bring back the zest of last year.

A jump in first half profits of an average 40 per cent over last year's figure has so far failed to give the market the nudge it needs. Demand is still low, new issues few and shares in the country's two biggest industrial groups, Alfa and Visa, are near their lowest point for 12 months despite high earnings.

Share prices are now about seven times their past year's earnings—less than half the price-earnings factor of 17 at the peak of the 1979 boom. At around 300m pesos ($13.7m) a day, volume is a third of last year's high, but as an indication of the market's growth over the past two decades, that figure equals the business done in an average month of 1977 and the whole year of 1963.

Among other recent problems faced by the Bolsa has been the near collapse of two of the 32 brokerage houses with problems stemming from last year's roller-coaster activity. The commission has intervened to organise possible takeovers by other firms.

One analyst operating in the market attributes the present apathy to adolescent growing pains which will give way to renewed confidence when investors' fears fail to materialise and Mexico comes through the world recession relatively unscathed.

"They're still very jumpy. The first whiff of trouble and they take their money out and buy condominiums and supermarkets in Houston or Miami," he said.

Foreigners are, in turn, barred from investing in about 60 per cent of the stocks quoted on the Bolsa, but they will shortly have new access to the market through a closed-end $50m investment fund which will include mining and industrial shares previously prohibited to non-Mexicans. The Fondo de Mexico, to be held by the Government Nacional Financiera Corporation, is expected to be in operation by the end of the year with quotation on the New York and London stock exchanges.

Another development affecting non-Mexicans in recent months has been the closure of the market to "Mexicanisation" operations by foreign firms. The State Foreign Investment Commission ruled that the practice violated the spirit of the law under which at least 51 per cent of equity in new or expanded subsidiaries of non-Mexican companies must be held by Mexicans.

Looking to the future, few market observers predict anything but further growth for the Mexican exchange. Given all the healthy signs of the Mexican economy backed by the confidence of 50bn barrels of proven oil reserves, it can only be a matter of time before investors show a renewed interest in stocks and the Bolsa returns to expansion.

ACQUISITION INCLUDES BRAE INTEREST

Swedish deal for N Sea oil stake

BY WILLIAM DULLFORCE, OUR NORDIC EDITOR IN STOCKHOLM

SVENSKA PETROLEUM (Sp), the Swedish state oil company, has reached preliminary agreement through its subsidiary SP Exploration to acquire 70 per cent of the holdings of the Canadian energy company Kaiser Resources in three British North Sea licences, including the 7.7 per cent holding in the Brae field.

SP will also take over the responsibility for financing the rest of Kaiser's Brae holding and Kaiser's obligation to finance the 7.7 per cent share in the Brae Field held by Bow Valley Exploration UK. The Swedish company is thus undertaking to finance 15.4 per cent of the Brae Field development. It calculates that the field contains recoverable oil reserves of some 35m tonnes.

Part of the cost will be funded from cash flow but SP estimates that it will need to raise $300m in loans, for which it is seeking a guarantee from the Swedish Government. It will also reimburse Kaiser for its past expenditure on the Brae Field.

Kaiser has so far spent some $36m on Brae on its own account and on behalf of Bow Valley. SP will be refunded from eventual field production for the whole of Bow Valley's share of past expenditure and for the 30 per cent of its share still held by Kaiser. Kaiser Steel of the U.S. still has a 15 per cent stake in Kaiser Resources but the holding is under offer to British Columbia Resources, a publicly-owned Canadian resource group.

SP expects to complete the agreement some time next month. Completion depends on the granting of the Swedish state loan guarantee, on the approval of the British Department of Energy and on settlement of some remaining details.

The two other licences in which SP is buying 70 per cent of Kaiser's interest are P222, covering block 16/2A, in which Kaiser has a 9.625 per cent share, and P313 on block 16/3A, where the Canadian company holds 1 per cent. These are adjacent to the Brae Field.

SP has expanded swiftly over the past two years. It has acquired shares in several blocks in the British sector of the North Sea, and has joined consortia bidding for the seventh round of concessions. It has a share in the Norwegian Valhall field and exploration concessions in Tunisia and in Trinidad and Tobago.

Last year SP acquired shares in refineries and distribution networks in Sweden from several major oil groups.

Oil trading hits Beijerinvest

BY WESTERLY CHRISTNER IN STOCKHOLM

A DROP in profits for Scandinavian Trading (STC), the oil-trading subsidiary of Beijerinvest, accounted almost entirely for the overall shortfall in pre-tax earnings by the Swedish trading, investment and industrial group registered during the first six months of this year.

Consolidated earnings were down to SKr 154m ($34m) at the end of June, after financial and administrative costs amounting to SKr 87m. Earnings totalled SKr 188m during the corresponding period in 1979 after financial and administrative costs of SKr 34m. Profits for STC dropped to SKr 95m at the end of the six months against SKr 152m.

The STC shortfall was attributed to the decline in spot market oil prices during the first half. Despite this the sales volume rose by 16 per cent, according to Mr. Anders Wall, the managing director.

Group turnover during the period rose to SKr 9.45bn ($2.2bn) compared with SKr 6.56bn. Of this amount STC accounted for SKr 6.9bn against SKr 4.5bn. About 75 per cent of the group's sales were generated outside Sweden.

Mr. Wall predicts that 1980 as a whole will be the second most successful in the group's history — with the exception of 1979. Pre-tax earnings this year are expected to reach SKr 250m on sales of Skr 19bn.

During 1979, Beijerinvest quintupled its pre-tax earnings to SKr 415.6m from SKr 76m the year before.

Group capital expenditure increased sharply, from SKr 87m to SKr 422m at the end of June. Of this amount, SKr 262m was accounted for by acquisitions.

Group operating subsidiaries gave a "good performance" during the first six months, Mr. Wall stated. Scandinavian Trading's U.S. activities, through Scanoil and Scandrill, continued to expand and provide good profits, and it is expecled that expansion possibilities in the Far East will be "excellent."

Sharp drop for Dutch stores group

By Our Financial Staff

THE DUTCH department store group, Koninklijke Bijenkorf Beheer (KBB) reported a sharp setback in profits for the six months ended July 31.

Pre-tax earnings at Fl 7.5m ($3.85m) were 48 per cent lower than the same period last year on turnover which was 13 per cent higher at Fl 1.3bn ($668m). KBB said it expected that second-half pre-tax profits would also be lower than in the same period last year.

However, full year net profit should show a small decline as provisions for tax are expected to be less and, traditionally, the second half profit and turnover are higher than in the first half, the stores group said.

Holec, the electrical supply company, has reduced its 1980 first-half loss to Fl 3.2m ($1.6m) from Fl 9.1m on turnover, excluding trading activities, up by 19 per cent to Fl 291m. The group's order book rose to Fl 580m at the end of the first half from Fl 533m on December 31. Holec expects its loss for the full year to fall considerably from the Fl 24.4m shortfall of 1979.

Saba retailing side in the red

BY OUR NORDIC EDITOR IN STOCKHOLM

J. S. SABA, the Swedish wholesale and retail trading group, has reported a pre-tax loss of SKr 50m ($12.1m) by its retailing company, formerly NK-Aahlen, in the eight months to end-June, compared with a SKr 56m profit before tax and appropriations during the corresponding period of 1978-79.

Sales grew by 3.7 per cent in value to SKr 6.2bn ($1.49bn) including VAT.

J. S. Saba, the fruit and vegetable wholesaling concern, and its distribution subsidiary, Dagab, merged with NK-Aahlen earlier this year, the new group taking the Saba name. The group accounts are being adjusted to the calendar year instead of the financial year to the end of October previously used by NK-Aahlen.

Some SKr 10m of the SKr 105m fall in earnings was incurred during the first four months of the period and SKr 95m in the last four months. Of the latter sum, SKr 45m is attributed to the direct effect of strikes and lockouts in Sweden last May, which led to the closure for 12 days of several of NK-Aahlen's main outlets.

J. S. Saba's retailing company will suffer a "substantial loss" during the calendar year 1980, the interim report predicts but the trading and distributing companies are expected to reach their joint budgeted pre-tax profit target of around SKr 80m.

Strong advance in first-half profit for French bank

BY TERRY DODSWORTH IN PARIS

CREDIT COMMERCIALE de France, one of the most influential of the French private banks, raised its net consolidated profit by 41 per cent in the first six months of this year.

In a letter to shareholders, M. Jean-Maxime Leveque, the chairman, said that the increase in earnings, from FFr 50.7m ($12m) to FFr 71.8m, was mainly attributable to the bank's international activities although there had been some improvement in its domestic business.

Expansion in France, where deposits increased by 13.5 per cent and credits by 14.4 per cent, amounted to a very limited real advance, he said, when adjusting for inflation.

The Government's severe policy of control over the growth in credit once again limited expansion possibilities in France, said M. Leveque. Overseas, where the bank had greater freedom of operation, development was being accelerated, with credits growing by almost 54 per cent at the branches in New York, Milan, Rome and Turin, during the first six months.

Outlets had also been added in Bahrain and West Germany, while authorisation had been received for the company to establish itself in Panama.

Also on the international side, the bank's currency lending business went up by 55 per cent in the six months compared with the same period last year.

On the international bond market, CCF claims to have achieved the position of the eighth largest operator. At home, CCF was aiming to continue its expansion with the take-over of a number of smaller banks.

M. Leveque added that the bank was continuing with its policy of expanding its capital base. In the past he has criticised the big nationalised banks for not following a similar policy, mainly through issuing convertible bonds. Despite this growth in the capital, net profits per share went up by almost 28 per cent in the first six months to FFr 9.54 a share, assuming that all the options to convert had been exercised.

While refusing to give a firm forecast for the whole of this year, M. Leveque said that the first half trends continued in July and August.

Aid for pulp producer

BY OUR PARIS STAFF

THE FRENCH Government has come to the aid of Groupement Europeen de la Cellulose, the country's leading pulp producer, by injecting FFr 40m ($9.5m) of short-term funds while the company finds a buyer.

The company, a strategically-placed group in France's troubled paper industry, has run up heavy losses in recent years and has estimated debts of FFr 500m. Its major shareholder, Macmillan Bloedel, the Canadian paper company, has now made it clear that it wants to shed its 34.4 per cent stake only two years after being brought in to sort out the management of the company.

The Government's decision to put money into the group, in the form of subsidies and loans, has been taken to enable it to continue to do business while discussions go on with potential buyers.

Wood suppliers have recently refused to deliver material because of uncertainty over payment.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	26.8.80	2.9.80	AVERAGE YIELD	26.8.80	2.9.80
DM Bonds	97.02	96.36	DM Bonds	8.212	8.339
HFL Bonds & Notes	94.62	93.98	HFL Bonds & Notes	9.731	9.858
U.S. $ Strt. Bonds	88.18	87.06	U.S. $ Strt. Bonds	11.620	11.861
Can. Dollar Bonds	91.06	90.18	Can. Dollar Bonds	11.869	12.054

Bank Rohner to pay unchanged dividend

BY JOHN WICKS IN ZURICH

BANK ROHNER is to pay unchanged dividends of SwFr 33 per share and SwFr 3.30 per participation certificate (non-voting shares) for the year to June 30 after posting a net profit of SwFr 3.96m ($2.39m).

At June 30 the St. Gall-based bank's balance sheet total had reached SwFr 515.31m ($310.99m) compared with SwFr 477.9m ($288.41m).

● Intrag, the investment fund affiliate of Union Bank of Switzerland, has announced increased dividends for two of its international securities funds for the year ended June 30.

Globinvest, whose assets declined further over the year from SwFr 154m ($93m at 1978/79 exchange rates) to SwFr 137m ($84m), nevertheless showed a marked improvement in profits to SwFr 5.25m.

Like Globinvest, Pacific-Invest, the other fund, is to pay an annual dividend of SwFr 1.80 up from SwFr 1.60 per certificate. This fund, which specialises in securities in the Far East and Australia, showed a rise in assets from SwFr 62.5m ($37.6m) to SwFr 65.4m ($40.3m) and profits of SwFr 1.71m ($1.03m).

● The Zurich-based insurance company, Limmat Versicherungsgesellschaft, a member of the Oerlikon Buehrle group, has signed a co-operation agreement with the Home Insurance Company of the U.S.

Limmat will thus be able to work with the Afia Worldwide insurance group, of which Home Insurance is a founding member. Afia Worldwide has been present in the Swiss market since the beginning of last year.

Johannesburg listing for Tomkor

By Jim Jones in Johannesburg

TOMKOR, THE Pretoria-based property holding company is to acquire a listing on the Johannesburg stock exchange. This is not a significant event in itself, perhaps, as the company is relatively small with properties valued by the directors at R28.7m ($38m) and a pre-tax profit of R1m during the year to February 29.

But when the company was first put together in 1968 to hold a portfolio of well-funded properties assembled by its founders, the intention was to aim for an early stock exchange listing. The stock market collapse of 1969 and the subsequent property market slide put paid to listing plans until now.

Tomkor is not seeking additional equity funds from investors and merely plans a listing of its 8.8m ordinary shares of 50 cents par value and 20,000 10 per cent secured debentures 1985-94 of R100 each.

During the 10 years to the end of February, Tomkor has steadily expanded its fixed property asset base from a book value of R6.7m to R18.4m. The directors believe that future capital development can be funded internally and expect to distribute about 75 per cent of taxed profits as dividends. For the year to February, 1981 a seven cents total dividend is forecast.

Swissimmobil series

Societe Internationale de Placements (SIP), a Swiss mutual funds management company, is reopening the books of its Swissimmobil new series real estate fund to mark SIP's 50th anniversary, Credit Suisse, the joint custodian bank said, Reuter reports from Zurich.

BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	16½ %
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	16 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
Bank of Credit & Cmce.	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½ %	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	16 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	16 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½ %
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E.T. Trust Limited	16 %		
First Nat. Fin. Corp.	19 %		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		
Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14¼% and over £25,000 14½%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

INTL. COMPANIES & FINANCE

Further advance in sales and profits for Pernas

BY WONG SULONG IN KUALA LUMPUR

PERNAS, the Malaysian Government's investment, manufacturing, and trading organisation, achieved a 50 per cent increase in pre-tax profits to 147m ringgit ($68.9m) for the year ended January, on turnover up from 717.4m ringgit to 1.06bn ringgit ($497m). After tax earnings were 73m ringgit, 54 per cent higher.

The organisation, which is one of the key government agencies involved in the new economic policy of promoting greater Malay participation in the corporate sector, reported that all its major subsidiaries and associate companies contributed to the group's increased earnings.

This is the third consecutive year Pernas has reported a profit. During the first seven years of its operations, it incurred losses which have not been disclosed.

The bulk of earnings—104m ringgit—came from the main subsidiary, Pernas Securities which owns 71 per cent of Malaysia Mining Corporation, the world's largest tin mining company.

At the end of January, total investments including in associate companies, amounted to 448m ringgit, of which 315 ringgit was in quoted securities, mostly Malaysian. The total market value of quoted securities amounted to 915m ringgit.

Tunku Shariman, the chairman, said the group is involved in two major property projects in Kuala Lumpur. The first is the 37-storey Pernas headquarters, to cost 41m ringgit, and expected to be ready by 1982, and the second is a 200m ringgit shopping and office complex which Pernas plans to develop with three French companies.

The chairman said that, having expanded and diversified over the past decade, the group will move into a period of consolidation and selective expansion in the coming years. Expansion will be confined to activities basic to the Malaysian economy or sectors which are expected to grow rapidly in importance in the years ahead, such as manufacturing and construction.

Hongkong Land in joint venture

BY PHILIP BOWRING IN HONG KONG

HONG KONG's two leading property companies, Hongkong Land and Cheung Kong (Holdings) are to form a joint venture company.

As a first step the new 50 : 50 company will acquire Star House, a prime Kowloon office and commercial building, from HK Land for HK$1bn on deferred terms, during a preliminary 16 months.

On its part, Cheung Kong will offer the joint venture during the 16 months, 50 per cent participation in properties and projects acquired by Cheung Kong during that period except those being undertaken in conjunction with third parties or certain Cheung Kong associates.

Cheung Kong will act as project manager in all developments except in the event of Star House being developed, in which case management would be on a joint basis.

Through the joint venture company, Hong Kong Land will retain a 50 per cent interest in Star House while receiving the benefit of 25 per cent of those new Cheung Kong developments which are contributed to the joint company during the 16 months.

The company will have an initial issued capital of HK$100m with additional working capital of HK$500m to be contributed equally by each of the two partners.

Shareholdings, board representation, and control of the joint company will be equal, with Hong Kong Land's executive director, Mr. Trevor Bedford as chairman, and Cheung Kong's chairman and managing director, Mr. Li Ka Shing as managing director.

Marshall's studies move into Tokyo

By Richard C. Hanson in Tokyo

MARSHALL'S, the London-based foreign exchange broker, is discussing the purchase of a small Japanese brokerage house to become the second foreign broker in the growing Tokyo currency market.

For the past two years, it has been exploring the possibilities of starting up business in Japan, following the entry of Astley and Pierce, a major competitor. The main barrier has been opposition on the part of the local brokers association to a further increase in the number of brokerage houses (currently 10).

The broker in which Marshall's is interested, Minami Shoten, is a tiny operation run by the family of its 94-year-old founder, Mr. Kintaro Minami. Minami has less than 1 per cent of the market.

What Marshall's in effect would be doing is purchasing a place in the association, rather than entering into a joint venture arrangement. The latter alternative, however, has not been completely discarded by Marshall's (pending successful completion of the Minami purchase), and probably is the only option available to any other foreign broker who might try to set up shop in Tokyo.

Marshall's would not expect to make a profit on a Tokyo business for several years. It is, however, optimistic about the future of the Japanese market.

Record result and rights issue from Wormald

BY OUR FINANCIAL STAFF

WORMALD INTERNATIONAL, the leading fire protection and security group, yesterday announced record net operating profits for the year ended June 30, and is to make a one-for-five rights issue, to raise some A$25m.

The annual profit after tax rose by 12 per cent to A$23.38m (US$27.30m) on group sales which advanced by 23 per cent to A$694m (US$800m). Earnings per share remain at 56 cents. The recommended dividend is unchanged at 10 cents, lifting the total for the year to 19 cents, from 17.5 cents.

The new issue of ordinary stock is at A$3 each, payable December 1980, compared with the recent share price of A$4.20.

The latest results are struck after a rise in tax to A$11.56m from A$10.09m, depreciation of A$9.90m (A$8.08m) and interest of A$24.51m (A$17.29m), but before extraordinary profit of A$656,000 as against A$10.54m last year. Wormald also announced that it has built up a majority interest in Australian Tube Mills, giving it a majority holding.

● Philips Industries Australia, which is controlled by the Dutch-based Philips group, achieved a profit of A$2.07m (US$2.42m) in the six months to June 30, compared with a loss of A$6.03m in the same six months last year. The company says that the turnround reflects a restructuring of the company after the disposal of a significant part of its assets.

Singapore steel mill lifts earnings

BY GEORGIE LEE IN SINGAPORE

NATIONAL Iron and Steel mills, Singapore's only steel mill, has reported a 14 per cent improvement in group pre-tax profits to S$29.9m (U.S.$14m) for the half year ended June.

Group turnover increased sharply by 32 per cent to S$180m, but trading profits rose by only 6 per cent to S$25.3m. The group also reported an extraordinary profit of S$3.97m arising from tax refunds, following the reassessment of tax paid for the five-year period to 1976.

National Iron, which is partly owned by the Singapore Government, has declared an interim gross dividend of 13 per cent.

● Nippon Oil Company is planning to set up a subsidiary in Singapore to be called Nippon Oil (Asia), Reuter reports from Singapore.

The company, which will be capitalised at S$300,000 (U.S.$141,500) is expected to start operating here next month.

Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar soft

The dollar lost ground in currency markets yesterday, with much of the movement occurring in the last half-hour of trading. Business earlier in the day had been uneventful, but towards the end of the day Euro-dollar rates started to ease, and uncertainty increased over future U.S. monotary policy. This led to a general run on the U.S. unit, and it closed at its worst lovel of tho day. In terms of tho D-mark it foll to DM 1.7760 from DM 1.7775, after a high of DM 1.7835, and SwFr 1.6285 compared with SwFr 1.6355 in terms of the Swiss franc. On the othor hand the yen was slightly weaker on technical considerations at Y216.70 against Y215.90. On Bank of England figures, the dollar's trade weighted index was slightly up et 83.5 from 83.4, but this failed to take into account the dollar's late fall.

Sterling tended to stay on the sidelines for most of the day, finishing with a trade weighted index of 76.5, unchanged from the two earlier calculations, and Tuesday's close. The pound's recent improvement may have been slowed by rumours in some quarters that MLR may be reduced today. Against the dollar it opened at $2.4150-2.4160 and traded within a very narrow range of $2.4120-2.4185. It closed at $2.4153-2.4163, a loss of 32 points from Tuesday's close.

D-MARK—One of the weaker members of the European Monetary System of late, hn showing signs of recovery against the dollar, following doubts about the future trend in U.S. interest rates and Federal Reserve monetary policy ahead of the Presidential Election — Tho D-mark was mostly weaker in Frankfurt yesterday, possibly affected by a fall in West Germany's balance of payments surplus for July compared with June. Dealors also noted an unchanged rate of unemployment in August from July. The D-mark lost ground against sterling and the Swiss franc, while tho dollar was fixed unchanged from Tuesday at DM 1.7804, with no Bundesbank intervention: Sterling roso to DM 4.3020 from DM 4.3000 and the Swiss franc was highor at DM 1.0873 against DM 1.0870. Within tho EMS, the French franc roso to DM 43.03 per FFr 100 from DM 42.985, and the Belgian franc was higher at DM 6.226 compared with DM 6.225 per BFr 100.

ITALIAN LIRA—Weakest member of the EMS, but steadier after the July economic package. Rumours of devaluation have tended to undermine confidence once again in recent weeks—The lira was slightly firmor in Milan yesterday in generally featureless trading. The dollar fell to L847.30 from L848.05 at tho fixing, and the D-mark was lower at L475.78 compared with L476.20. However sterling rose to a new high of L2,047.70 compared with L2,047.50 on Tuesday, and the French franc was marginally highor at L204.76 against L204.74.

JAPANESE YEN—Advancing steadily since the middle of last month, helped by the general weakness of the dollar and the relatively successful fight against inflation which allowed a cut in the central bank discount rate—The yen lost ground against the dollar in Tokyo yesterday, with the U.S. unit closing at Y217.30, compared with Y216.40 on Tuesday. The dollar opened at Y216.10 and fell at one point to Y215.80, but renewed interest at this levol pushod it above Tuesday's close. Thero may have been some dollar support by the Bank of Japan, but dealers were unsure.

THE POUND SPOT AND FORWARD

Sept. 3	Day's spread	Close	One month	% p.a.	Three months
U.S.	2.4120-2.4185	2.4153-2.4163	1.40-1.30c pm	6.70	2.82-2.72 pm
Canada	2.7865-2.7975	2.7955-2.7975	1.65-1.55c pm	6.86	3.85-3.75 pm
Nethlnd.	4.66-4.70	4.66-4.67	3-2c pm	6.43	7-6 pm
Belgium	68.83-69.25	68.83-68.93	33-23c pm	4.88	70-60 pm
Denmark	13.28½-13.33	13.28½-13.29½	2-3⅝ore dis	−2.54	5¾-6⅞ dis
Ireland	1.1378-1.1420	1.1378-1.1388	0.20-0.25p dis	−2.37	0.45-0.50dis
W. Ger.	4.28¾-4.31	4.28¾-4.29¾	3½-2½pf pm	8.04	8½-7½ pm
Portugal	112.25-112.95	112.50-119.70	30c pm-20dis	0.50	30 pm-25 dis
Spain	175.00-175.75	175.30-175.50	10-65c dis	−2.56	205-285 dis
Italy	2044-2050	2044½-2046½	11-14lire dis	−7.33	61½-54½dis
Norway	11.63-11.66	11.63½-11.64½	2¾-1¾ore pm	2.13	8¾-7½ pm
France	2.97½-10.01	2.97½-9.98½	5-4c pm	5.41	10⅝-9⅝ pm
Sweden	10.01½-10.04	10.01½-10.02½	1½-½ore pm	1.27	1 pm-par
Japan	523-526	523-524	2.30-7.90y pm	4.81	5.85-5.55 pm
Austria	30.40-30.55	30.41-30.46	15-13gro pm	5.52	39-29 pm
Switz.	3.93-3.97	3.93-3.94	4¼-3¼c pm	11.43	11½-10½ pm

Belgian rate is for convertible francs. Financial franc 69.90-70.00. Six-month forward dollar 4.47-4.42c pm. 12-month 6.27-6.17c pm. Denmark Sept. 2 13.31¾-13.32¾ (close).

THE DOLLAR SPOT AND FORWARD

Sept. 3	Day's spread	Close	One month	% p.a.	Three months
UK†	2.4120-2.4185	2.4153-2.4163	1.40-1.30c pm	6.70	2.82-2.72pm
Ireland†	2.1155-2.1205	2.1185-2.1205	0.75-0.65c pm	3.96	1.45-1.35pm
Canada	1.1545-1.1584	1.1581-1.1584	0.09-0.05c pm	0.73	0.32-0.27pm
Nethlnd.	1.9353-1.9405	1.9357-1.9367	0.09-0.05c pm	−0.62	0.50-0.40pm
Belgium	28.51-28.63	28.51-28.53	3-4½c dis	−1.58	4½-7 dis
Denmark	5.5070-5.5135	5.5075-5.5090	4-4½ore dis	−9.26	9-9½ dis
W. Ger.	1.7755-1.7835	1.7755-1.7765	0.22-0.19pf pm	1.38	1.30-1.25pm
Portugal	49.43-49.56	49.43-49.53	15-35c dis	−6.06	45-85 dis
Spain	72.57-72.72	72.64-72.69	45-65c dis	−9.08	170-200dis
Italy	847.00-847.50	847.00-847.30	9-11lire dis	−14.18	30-33 dis
Norway	4.1880-4.8225	4.8190-4.8205	1½-2ore dis	−4.36	1¾-2¾ dis
France	4.1335-4.1435	4.1335-4.1350	0.45-0.65c dis	−1.60	0.20-0.50dis
Sweden	4.1465-4.1510	4.1480-4.1495	1.75-1.90ore dis	−0.28	4.40-4.55dis
Japan	215.65-217.70	216.65-215.75	0.40-0.55y dis	−2.63	0.10-0.25dis
Austria	12.59¾-12.61	12.60-12.61	0.80-1.40gro dis	−1.05	1¾ pm-½ dis
Switz.	1.6280-1.6400	1.6280-1.6290	0.63-0.58c pm	4.46	2.42-2.37 pm

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Sept. 3	Bank of England Index	Morgan Guaranty Changes %
Sterling	76.5	−29.7
U.S. dollar	83.5	−10.2
Canadian dollar	81.5	−16.6
Austrian schilling	156.1	+24.9
Belgian franc	115.3	+13.4
Danish kroner	106.0	−4.8
Deutsche mark	164.7	+44.0
Swiss franc	198.1	+80.1
Guilder	120.3	+20.1
French franc	101.1	−6.0
Lira	09.7	−51.7
Yen	130.2	+28.8

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

Sept. 2	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	18	0.547130	0.588191
U.S. $	10	1.58106	1.42168
Canadian $	10.74	1.52609	1.64232
Austria Sch.	8¾	16.6480	17.9131
Belgium F	12	37.7988	40.6386
Danish K	13	7.29027	7.83344
D'mark	7½	2.35202	2.52916
Guilder	9	2.56286	2.75492
French Fr.	9½	0.47510	5.88503
Lira	15	1120.20	1205.44
Yen	8.25	985.009	306.840
Norwgn. Kr.	2	6.36949	8.85177
Spanish Pts.	8	25.9122	103.216
Swedish Kr.	10	5.48412	5.89925
Swiss Fr.	3	2.16410	8.32128

OTHER CURRENCIES

Sept. 3	£	$		£ Note Rates
Argentina Peso	4606-4626	1908-1910	Austria	00.25-30.55
Australia Dollar	2.0640-2.0680	0.8545-0.8550	Belgium	09.80-70.40
Brazil Cruzeiro	134.12-100.18	00.645-55.845	Denmark	10.25-13.35
Finland Markka	8.78-8.79	3.6395-3.6405	France	9.25-10.01
Greek Drachma	102.611-104.988	42.55-48.70	Germany	4.28¼-4.31¼
Hong Kong Dollar	11.21½-11.93	4.9350-4.2370	Italy	2030-2135
Iran Rial	n.a.	n.a.	Japan	523-528
Kuwait Dinar (KD)	0.641-0.647	0.2869-0.2870	Netherlands	4.66-4.70
Luxembourg Frc.	68.83-68.93	88.51-28.53	Norway	11.62-11.72
Malaysia Dollar	0.1460-0.1070	2.1315-2.1335	Portugal	115-122
New Zealand Dlr.	2.4480-2.4550	1.0135-1.0145	Spain	171-179
Saudi Arab. Riyal	7.97-8.03	5.6190-3.3210	Sweden	9.97-10.07
Singapore Dollar	5.1160-5.1870	2.1190-2.1210	Switzerland	3.94-3.97
Sth. African Rand	1.8215-1.8280	0.7540-0.7545	United States	8.41-2.43¼
U.A.E. Dirham	8.86-8.92	3.6870-3.6890	Yugoslavia	70½-75½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 3	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.6228	+2.09	+0.81	±1.53
Danish Krone	7.72336	7.83313	+1.42	+0.14	±1.64
German D-Mark	2.48208	2.53020	+1.94	+0.66	±1.125
French Franc	0.84700	5.88196	+0.80	−0.88	±1.3557
Dutch Guilder	2.74362	2.75388	+0.37	−0.91	±1.512
Irish Punt	0.668201	0.671209	+0.45	−0.83	±1.668
Italian Lira	1157.79	1204.47	+4.03	+2.85	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Sept. 3	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.416	4.291	023.0	2.280	3.935	4.860	8046.	2.797	68.88
U.S. Dollar	0.414	1.	1.770	216.7	4.131	1.099	1.961	846.7	1.158	28.51
Deutschemark	0.233	0.563	1.	192.0	2.386	0.917	1.087	476.7	0.652	18.05
Japanese Yen 1,000	1.910	4.615	8.197	1000.	12.06	7.517	8.911	3907.	5.342	131.6
French Franc 10	1.002	2.421	4.300	524.0	10.	0.943	4.674	2050.	2.802	82.02
Swiss Franc	0.254	0.014	1.091	133.0	8.536	1.	1.186	012.8	0.711	17.50
Dutch Guilder	0.214	0.518	0.980	118.2	2.139	0.844	1.	438.5	0.599	14.71
Italian Lira, 1,000	0.489	1.181	2.098	858.2	4.679	1.224	2.281	1000.	1.307	35.07
Canadian Dollar	0.356	0.864	1.535	187.2	3.569	1.407	1.068	731.6	1.	24.63
Belgian Franc 100	1.452	3.607	6.230	760.0	14.49	5.713	8.773	2970.	4.060	100.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 3)

3 months U.S. dollars		6 months U.S. dollars	
bid 11⅝	offer 11¾	bid 11 11/16	offer 18 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Sept. 3	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	10¼-16½	9¾-10	8-10	10 1/16-10 7/16	0¾-7¼	9½-9¼	11-11⅜	14-18	9⅞-10	12½-12¾
7 days' notice	16¼-16⅛	9⅞-10⅛	8⅛-10⅛	10½-10 11/16	4-4½	2⅛-9¼	11-11⅛	18½-28½	10 1/16-10⅜	18¾-12⅝
Month	10½-10¾	10 7/16-10⅝	9½-2⅞	10½-10 11/16	5½-5⅝	8⅞-9	11⅛-11⅜	20½-20½	10⅛-10¼	11⅞-12
Three months	16⅛-10½	10 7/16-10⅝	10¼-10⅝	10⅛-10 11/16	5¼-5⅝	8⅝-8¾	11⅝-11⅞	26¾-27⅝	11½-11⅝	11⅝-11¾
Six months	15⅞-16⅛	11¾-12	11-11⅜	10½-10 11/16	0½-5⅞	8 7/16-8⅝	12-12¼	87-28	11 11/16-11 13/16	10⅝-10¾
One Year	14⅞-15⅛	12-12¼	11⅝-11¾	10⅜-10⅝	5 5/16-5 7/16	8 5/16-8 9/16	12¼-12½	86¾-88¾	12-12⅛	9⅝-9¾

Long-term Eurodollar two years 12¼-12½ per cent; three years 12⅝-12⅞ per cent; four years 12½-12¾ per cent; five years 12⅝-12⅞ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rate in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 10.70-10.80 per cent; three-months 11.35-11.45 per cent; six-months 11.55-11.65 per cent; one year 11.60-11.70 per cent.

INTERNATIONAL MONEY MARKET

Belgium cautious

Belgian short-term interest rates are expected to rise in the near future, after a period of general decline for several weeks. The downward trend, including a cut in the Belgian National Bank discount rate, resulted from the improvement of the Belgian franc. But during the last week or so the franc bas retreated towards the lower end of the European Monetary System once agaio, and despite reasonable liquidity in the banking system rates are likely to increase as a defensive measure. Money market rates showed little change yesterday, but remained slightly below the level of seven days ago. Until recently market expectations pointed towards a further easing of Belgian rates, but the tightening of liquidity in other countries and the ending of the downward trend in New York rates has changed tho situation.

In Amsterdam money market rates tended to ease helped by the injection of liquidity through currency swaps by the Dutch contral bank. Call money fell to 10½-10¾ per cent from 10¾-10¾ per cent, while one-, three- and six-month funds eased to 10½-10⅝ per cent from 10⅝-10¾ per cent. Twelve-month money was reduced to 10⅜-10½ per cent from 10½-10⅝ per cent.

GOLD

Slight fall

Gold fell $3 an ounce in the London bullion market yesterday to $636-639. It opened at $638-641 but mot with selling which saw the price fall to $634½-636. However the metal seemed to hold at this level ahead of the New York opening and recovered later in the day to its closing level.

In Paris the 12½ kilo bar was fixed at FFr 84,800 per kilo ($637.16 per ounce) compared with FFr 84,900 ($637.84) in the morning, and FFr 84,750 ($636.25) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 36,500 per kilo ($637.49 per ounce) against DM 36,205 ($632.55) previously, and closed at $637-640 per ounce against $639-641 proviously.

In Zurich gold finished at $637-640 from $639-642 on Tuesday.

	Sept. 3		Sept. 2	
Gold Bullion (fine ounce)				
Close	$636-639	(£263¼-264½)	$639-642	(£264½-265½)
Opening	$638-641	(£264¼-265⅛)	$630-633	(£281-262¼)
Morning fixing	$638.70	(£263.393)	$632.25	(£281.829)
Afternoon fixing	$636.76	(£263.413)	$640	(£264.627)
Gold Coins				
Krugerrand	$656-658	(£271½-272½)	$659-661	(£272-274)
Mapleleaf	$650-654	(£269-270)	$653-657	(£259½-272½)
New Sovereigns	$101½-162¼	(£66¾-67¾)	$162-163	(£67-68)
King Sovs	$192-193½	(£72½-80½)	$198-193½	(£79¼-80¼)
Victoria Sovs	$192-193½	(£79½-80½)	$192-193½	(£79¼-80¼)
French 20s	$163½-165½		$163¼-164¾	
50 pesos Mexico	$788-791		$790-793	
100 Cor. Austria	$621-623		$627-631	
$20 Eagles	$758-769		$760-764	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Short-term rates fall

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

Short-term interest rates foll quite sharply in the London money market yesterday, but market sources suggested that this was more a reactioo to expectations of ao easing of rates later this year rather than any reflection of hopes of a cut in Minimum Leoding Rate this week. Liquidity shortages have driven rates higher recently, but an improvement in the supply of funds over the last day or so may have led to a reappraisal of the situation.

Credit was genorally in adequate supply yesterday, and although the authorities gave assistance by buying local authority bills from the discount houses this was on a very small scale.

Govornment disbursements exceeded revenue payments to tho Exchequer, but this was roughly balanced by repayment of tho official loans mado available on Monday and Tuesday, and the unwinding of a small sale and repurchase agreement.

Discount houses paid up to 16 per cent for secured call loans, with closing balances taken at 15½-15¾ per cent.

LONDON MONEY RATES

Sept. 3 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ✱	Eligible Bank Bills ✱	Fine Trade Bills ✱
Overnight	—	10-16⅞	—	—	—	16¼-18⅛	15½-16	—	—	—
2 days notice	—	—	16¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅜-16⅞	16¾-16⅞	—	—	—	—	—	—	—
One month	16⅝-16 7/16	16½-16 15/32	16¾	17¼-17⅝	16⅞	16⅞-17	16¾-16⅞	—	—	—
Two months	16 9/16-16⅝	16 7/16-16¾	—	17-17¼	16 13/16	16¾-17½	16¾	15	16 1/16-16⅜	16⅞
Three months	16 7/16-16 1/16	16⅜-16 11/16	16½-16⅝	16¼-16¾	16⅞	—	16⅝-16½	14 15/16-15	16⅛	16⅝
Six months	15⅝-15 7/16	15⅝-16 1/16	16-16⅛	15¾-16	16 13/16	16⅛-17	16¼	14 15/16-15⅛	15 15/16-16 1/16	16⅛
Nine months	14¾-14⅝	14⅞-16½	—	15-15½	18	18⅛	—	—	14½-14 9/16	15
One Year	14 1/16-14 1/16	14⅝-15⅛	15	14½-14¾	15 1/16	10	—	—	—	—
Two years	—	—	14¼-14⅝	—	14 15/16	16⅝	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 14-14¼ per cent; four years 13⅞-14½ per cent; five years 13⅞-14 per cent. ✱ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15 9/16-15¾ per cent; four-month trade bills 15¾ per cent.

Approximate selling rate for one-month Treasury bills 14⅞-14/57-64ths per cent; two-months 14⅞ per cent; three months 14⅞-15 per cent. Approximate selling rate for one-month bank bills 16 5/32-16¼ per cent; two-months 16 per cent; three-months 15 27/32-15 9/16 per cent; one-month trade bills 16¾ per cent; two-months 16¾ per cent; and three-months 15⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from September 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 18 per cent. Treasury Bills: Average tender rates of discount 14.9497 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11½
Fed. Funds	9½-9¾
Treasury Bills (13-week)	9.72
Treasury Bills (26-week)	9.78
GERMANY	
Discount Rate	7.50
Overnight Rate	9.325
One month	9.075
Three months	6.90
Six months	8.625
FRANCE	
Discount Rate	9.5
Overnight Rate	11.125
One month	11.4375
Three months	11.6875
Six months	11.6875
JAPAN	
Discount Rate	8.25
Call (Unconditional)	11.6875
Bills Discount (three-month)	11.4375

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APPOINTMENTS

John Sowden joins Lloyds Bank

Mr. John P. Sowden has been appointed a regional director of the Central London regional Board of LLOYDS BANK. He recently retired from the chairmanship of the Costain Group.

*

Mr. Laurence D. Hill has been appointed a director and chairman of TRUST SECURITIES HOLDINGS. He was formerly managing director of Thomas Cook and chairman of BAT Stores (Holdings). Mr. Ash Bosu has also been appointed to the board of Trust Securities Holdings as finance director.

*

Dr. E. M. J. Besnard has been appointed as general manager, UK and Channel Islands, and Mr. A. A. Ter Laag as general manager, London offices, at ALGEMENE BANK NEDERLAND.

*

Mr. Tony Brown has been appointed sales director of GRIFLEX PRODUCTS, which makes a range of flexible reinforced thermoplastic hoses, and is a subsidiary of Plascoat International, itself a member of Imperial Group.

*

Mr. Ken Winspear, who recently retired as head of glasshouse department at the National Institute of Agricultural Engineering, Wrest Park, Silsoe, has joined RICHARDSONS WESTGARTH GROUP as a consultant.

*

Mr. Norman Graham has been appointed marketing and business development manager of the BRITISH LINEN BANK. He joined British Linen from Hill Samuel, and previously was with the Clydesdale Bank in Glasgow and London.

*

Mr. Reginald Berry has joined the Board of LEASE AND FINANCE SERVICES. He recently retired from Hill Samuel Leasing Co. where he was managing director.

*

Mr. Peter Mackintosh has been appointed director of development by HIGHLAND REGIONAL COUNCIL. He was formerly assistant director, and has been with the Regional Council since local government reorganisation in 1975.

*

ZILOG INC. has promoted its European division general manager to a vice presidential post. Mr. Amaury (Pepe) Piedra, head of Zilog Europe, becomes vice president, general manager, European operations, based at Maidenhead, Berks.

*

Mr. Clarence R. Sullivan Jr., has been named director, dealer sales at MICRODATA CORPORATION, Irvine, California.

*

AKAI (U.K.), Hounslow, has appointed two directors. Mr. A. J. (Andy) Harrisson, formerly general sales manager, becomes commercial director; and financial controller, Mr. Colin Pye becomes finance director.

*

BXL PLASTICS is to form a commercial development department based at the company's headquarters, St. James's Square, London. Mr. Harry Burnham, at present president of BP Chemicals Americas Inc., New York, is to be appointed assistant managing director (development) of the new department, from January, 1981.

Mr. Tony Withey, previously division general manager, BXL synthetic paper division, has been appointed commercial development manager. Mr. Ian Taylor, previously general manager, development, at BXL, has been appointed technical development manager. Mr. Ken Bessant, manager, plastics business co-ordination, BP Chemicals, is extending his area of activity and will act, on a part-time basis, as technical adviser to the company.

*

Mr. R. E. McCowen has been appointed export sales director of SLAZENGER.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1979							
1st qtr.	110.4	102.5	98	100.7	134.0	1,351	234
2nd qtr.	114.8	107.0	107	106.2	144.8	1,299	256
3rd qtr.	112.6	103.1	99	99.5	144.6	1,269	247
4th qtr.	112.5	103.8	106	101.7	151.9	1,286	230
1980							
1st qtr.	110.3	101.7	98	103.2	157.8	1,379	193
2nd qtr.	107.4	99.1		101.5	161.3	1,492	160
Feb.	110.3	101.1	97	103.9	158.5	1,383	191
March	108.9	98.4	105	102.6	159.4	1,414	181
April	107.2	98.4	93	102.3	161.0	1,458	169
May	106.9	97.0	95	100.6	160.2	1,484	163
June	108.2	98.2		101.6	162.4	1,535	147
July				101.0		1,606	126
Aug.						1,696	120

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1979							
1st qtr.	105.9	99.1	127.0	98.7	98.4	100.0	12.9
2nd qtr.	108.8	102.7	133.1	102.6	110.0	103.4	21.3
3rd qtr.	105.9	95.9	132.3	94.7	103.8	100.6	21.0
4th qtr.	105.0	101.0	129.5	98.9	102.6	96.0	18.1
1980							
1st qtr.	105.2	101.7	124.0	99.3	60.3	91.9	12.3
2nd qtr.	101.2	96.6	123.0	94.0	90.9	86.7	16.2
Feb.	106.0	104.0	123.0	101.0	55.0	92.0	11.4
March	103.0	99.0	124.0	95.0	64.0	89.0	12.2
April	102.0	98.0	121.0	95.0	82.0	88.0	15.0
May	100.0	96.0	123.0	93.0	94.0	85.0	17.0
June	102.0	96.0	125.0	94.0	97.0	87.0	16.6

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−357	−229	160.4	21.69
3rd qtr.	129.8	128.1	−493	− 83	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−711	−157	103.7	22.54
1980							
1st qtr.	131.3	126.5	−723	−417	−126	100.7	24.87
2nd qtr.	129.2	124.8	−299	−149	+ 19	102.4	
Feb.	136.5	128.9	−232	−130	− 45	100.6	23.93
March	127.7	122.7	−176	− 74	− 5	100.6	26.96
April	127.2	127.6	−264	−214	+ 44	101.8	28.01
May	130.2	121.4	− 18	+ 32	− 10	102.0	28.28
June	130.3	125.3	− 17	+ 33	− 15	103.4	28.17
July	129.8	118.5	+261	+311	+102	103.8	28.27
Aug.							28.29

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.2	8.4	32.6	+1,296	777	1,581	13
2nd qtr.	5.2	15.6	28.5	+2,628	777	1,867	14
3rd qtr.	12.0	11.2	13.2	+3,642	933	1,879	14
4th qtr.	14.4	15.6	22.6	+2,977	839	1,954	14
1980							
1st qtr.	−4.0	7.2	21.9	+1,723	634	1,974	17
2nd qtr.	−1.5	10.7	23.3	+3,186	697	1,972	17
Jan.	−6.9	8.1	22.6	+ 737	235	668	17
Feb.	−6.7	6.1	20.7	+ 271	199	665	17
March	−2.3	7.5	25.4	+ 711	200	641	17
April	−4.0	4.8	18.8	+ 695	266	675	17
May	4.0	12.6	21.9	+1,144	225	621	17
June	−4.9	+21.4	28.8	+1,352	206	676	17
July	11.2	42.0	51.4	+3,502	340		16
Aug.							16

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
1980							
1st qtr.	167.7	197.6	191.5	248.8	247.5	284.47	72.4
2nd qtr.	178.9	201.3	199.1	263.2	255.9	267.45	73.8
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March	172.8	200.4	194.3	352.2	251.1	284.47	72.6
April	175.0	202.3	197.0	260.8	254.1	275.67	72.6
May	178.1	200.4	199.1	263.2	255.7	268.23	74.3
June	183.6	201.1	201.2	265.7	257.9	267.45	74.4
July		201.9	203.1	267.9	259.9	273.57	74.7
Aug.						275.38	76.2

* Not seasonally adjusted.

WORLD STOCK MARKETS

NEW YORK

Active early Wall St. advance

HELPED BY declining intorest rates in tho credit market, Wall Street furthor advanced over a wide front yesterday morning in heavy dealings.

The Dow Jones Industrial Average was 6.15 higher at 946.93 at 1 pm, whilo tho NYSE All Common Indox climbed 74 cents to $72.02 and gains led falls by a three-to-one majority. Trading volume swelled to 33.79m shares from Tuesday's 1 pm levol of 22.47m.

Analysts said the interest rates decline eased somo investors' that a new rate spiral was beginning. However, credit markot analysts said that becauso it was Wednesday, the end of the bank settlement week, no firm conclusions should be drawn from rate movements yesterday.

Pullman jumped 6½ to $47¼. **Wheelabrator-Frye** has raised its *bod for Pullman to $2.50 a share* from $43, topping **McDermott's** bod of $43.50. **Wheelabrator** slipped 1⅛ to $47⅞ but **McDermott** added ¾ at $28⅝.

Marathon Oil gained 1⅛ to $61 and **Kerr McGee** 1¾ to $70⅞, but **Louisiana Land** were unchanged $50⅞. They hold varying stakes in several North Sea Brae Field licenses along with **Kaiser Resources**. The Swedish Stato Oil company is seeking to buy part of Kaiser's stake. Kaiser, which closed on Tuesday on the Toronto Exchange at C$32½, had not opened for dealings yesterday.

Dutch Boy gained ¾ to $14¾. It has sold its Solar Electric unit to North American Philips for $6m. **Philips**, the U.S. unit of NV Philips Gloeilampenfabrieken, rose 1⅞ to $32⅞.

THE AMERICAN SE Market Value Index was 3.67 stronger at 332.29 at 1 pm after volume of 4.87m shares (3.16m).

Canada

Stocks mainly moved further ahead in a large early business, with tho Toronto Composite Index rising 17.1 to 2,256.2 at mid-day. Golds gained 44.5 to 5,284.0 and Oil and Gas 52.2 to 4,782.7. In Montreal, Banks advanced 3.07 to 381.41.

Closing prices for North America were not available for this edition.

Tokyo

The overnight advance on Wall Street and increased foreign buying helped some Blue Chips, Large-capital issues, Trading Houses, Shippings and Constructions to advance, but the market overall was mixed.

The Nikkei-Dow Jones Average improved 11.87 to 6,927.27 and the Tokyo SE index 0.64 to 479.74, whilo turnover was a sizeable 460m shares, well in excess of Tuesday's 300m.

Some brokers said they estimated purchases by foreign investors yesterday to have reached 72.2m shares, including 20m of Mitsui Osk Line and 15m of Nippon Steel. This is a daily foreign purchase record, exceeding Tuesday's 58m shares. However, subsequent profit-taking left **Mitsui Osk**, Y218, and **Nippon Steel**, Y140, both down Y1 on the day.

Toshiba, another heavily-traded issue, gained Y2 at Y208, while **Hitachi** put on Y3 to Y317, **Sony** Y30 to Y2,580, **Victor** Y20 to Y1,870 and **Matsui Construction** Y12 to Y233.

The recent recovery in the tanker market sparked off buying in several major Shippings. **Iino Kaiun** rose Y23 to Y244. Firm Trading Houses were outstanding for **Mitsubishi**, up Y27 at Y709.

A number of speculatives also attracted demand, **Mitsubishi Resin** rising Y23 to Y286 and **Teikoku Textile** Y59 to Y355.

After Tuesday's advance, Oils tended to decline on profit-taking, but **Koa Oil** added Y14 at Y704. **Nippon Oil**, up Y150 the previous day on rumours of a gas find by an affiliated company, shed Y20 to Y1,550. **Arabian Oil** reacted Y30 to Y2,810.

Australia

Boosted by a revival of overseas buying, especially for energy-related shares, markets put on a good performance yesterday. Tho Sydney All Ordinaries indox climbed 8.33 to 962.38.

There was a surge of interest in stocks related to Strata Oil's Woodada gas find in Western Australia. **Strata** moved ahead 30 cents to $A2.60, while affiliates, **Haoma** and **Northwest Mining** added 30 and 25 cents respectively to A$3.20 and A$2.70, with tho markot apparently expecting some good news.

Western Resources, which has spudded in near the Woodada area, firmed 20 cents to A$1.75, while **Geometals**, with a lease next to Strata, gained 8 cents to 84 cents.

News of a likely end to tho Queensland coal strike saw **Utah** rise 32 cents to A$5.50.

The higher overnight Bullion price and sharply higher profits announced by **GMK** gave Gold shares an uplift. **GMK** moved ahead 20 cents to A$8.70, while **Poseidon** advanced 55 cents to a 1980 high of A$5.30 and **Central Norseman** 20 cents to A$12.00.

Elsewhere in Minings, **CRA** put on 10 cents to A$6.30 following good interim profits. **Western Mining**, due to report this week, firmed 8 cents more to A$5.92. **Peko** gained 22 cents to A$9.46 and **Pancontinental** 30 cents to A$7.00.

On the Industrials boards, **BHP** added 30 cents at A$15.40 and **CSR** 14 cents at A$7.44.

Germany

Bourse prices tended to improve, with the Commerzbank index gaining 2.2 to 723.3.

Tho Stores sector picked up *strongly after recent weakness*, **Karstadt** rising DM 5.50, **Horten** DM 4 and **Kaufhof** DM 3, but **Neckermann** were unchanged at DM 91.50.

The Domestic Bond market remained depressed with public paper losing up to a point more, led down by the new Post Loan. **Bundesbank** purchases, however, were only DM 300,000, against *DM* 45m the previous day. Mark Eurobonds were mixed with Brazilians weak.

Paris

Shares were broadly higher in moderate trading. Investors were encouraged by the good performance overnight on Wall *Street, while also contributing* to tho firm tone was some buying of French shares by small investors taking advantage of tho "Monory law" under which the first FFr 5,000 of net annual investments in French shares are tax-deductible.

Paris Stock Exchange president Yves Flornoy said in a radio interview on Tuesday evening that this year the Monory law would bring between FFr 4bn to FFr 4.5bn of French money into the Bourse.

Switzerland

Insurances led the market generally higher on large volume, with further substantial foreign demand noted. The Swiss Bank Corporation Industrials index put on 3.0 to 315.8.

Hong Kong

After relinquishing further ground in the early stages yesterday, the market rebounded in the afternoon to close substantially higher on tho day following another heavy trade. The Hang Seng index finished a net 12.59 up at 1,237.15, not far short of Monday's seven-year closing peak of *1,239.85*. *Turnover totalled* HK$549.76m on the four exchanges, compared with Tuesday's HK$511.33m.

Johannesburg

Overseas buying pushed Gold *shares* further ahead, with Heavyweights **Buffelsfontein**, R59, and **F. S. Geduld**, R89, each advancing R3. **Libanon** gained R1.25 to R35.25.

Mining Financials advanced with gold producers, while Diamond leader **De Beers** strengthened 55 cents to R12.30. Platinums, in contrast, were modestly easier after scoring sharp gains the previous day.

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SOUTH AFRICA

GERMANY

SWEDEN

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

MONTREAL

NEW YORK ACTIVE STOCKS

EEC lifts export tax on sugar

By Our Commodities Editor

WORLD SUGAR prices rallied yesterday following news that the EEC Commission had decided to retain its tax on sugar exports at 2.488 European Currency Units, against 2.438 last week, in spite of the drop in world market values during the past week. It was generally expected that the Commission would lower the export tax. As a result exports of white sugar authorised by the Commission dropped to 57,500 tonnes yesterday, compared with 165,750 tonnes last week.

The reduced exports helped halt a decline in the world sugar market that started in the morning when the London daily price was cut by £14 to £305 a tonne.

Nevertheless, the January position on the futures market closed £11.5 lower at £328.75 a tonne following selling both by the trade and speculative sources.

There is some disillusionment among speculators in particular at the failure of sugar prices to rise to higher levels and this has encouraged some selling in the absence of strong consumer buying interest. Nevertheless the underlying supply-demand position remains strong and this is reflected in the reluctance of the EEC Commission to reduce its export levy.

Denmark and UK close to settling fishing dispute

BY HILARY BARNES IN COPENHAGEN

MR. POUL DALSAGER, Denmark's Fisheries Minister, considers it likely that Denmark and the UK will find a solution this month to the dispute over the Norwegian pout box which is satisfactory to both parties.

The dispute has soured relations between British and Danish fishermen and a solution to the dispute is regarded as essential if any progress is to be made this autumn in reaching agreement on an EEC common fisheries policy.

There is an agreed restriction on pout fishing in an area off the east coast of Scotland, but the conflict arose when the British unilaterally extended the restricted area. This summer the European court ruled that the extension was illegal.

The Danish use pout for industrial processing, but there is a secondary catch of young haddock which the British claim is a threat to haddock stocks.

Mr. Dalsager said that if no agreement is reached, Danish fishermen will assume in the light of the European court's ruling, that they are free to fish for pout in the disputed area.

He expected however, that an agreement would be reached and hinted that it would include area limitations which will restrict the Danish fishermen to waters which are so deep that the problem of the haddock catch is largely avoided.

The only problem this will raise from the point of view of the Danish fishermen is that they will have to avoid some waters in which they normally fished, but without seriously affecting the total pout catch.

The two governments are aiming at agreement this month before the next meeting of the EEC's ministerial council at the end of the month.

Mr. Dalsager is, however, less optimistic when it comes to negotiations on the common fisheries policy which are supposed to be completed by the end of the year. The quota proposals put forward by the EEC Commission in May would cut the Danish plaice catch by about a quarter and the mackerel catch by about 90 per cent, shutting Danish fishermen out of the mackerel fishing waters west of Scotland.

These proposals are "unacceptable" to Denmark, said the Ministry. Denmark is not only the EEC's biggest fishing nation in terms of tonnage caught. It has traditionally caught most of its fish in what are now EEC waters. It has therefore little sympathy to the basis of the Commission's proposal, which is to use quotas to give compensation to British and German fishermen for lost access to fish in Faroes and Icelandic waters at the expense of Danish fishermen.

"We cannot accept that we should give up the substantial share of our fisheries," said Mr. Dalsager, "but we are nevertheless taking part in the negotions."

The total Danish catch in 1979 was 1.7m tonnes with a value of DKr 2bn (£150m) of which 1.4 tonnes worth DKr 575m was for industrial processing.

Soviet key to ending grain ban

THE SOVIET UNION is feeling the effects of the embargo on grain shipments from the U.S., but an end to the embargo depends on the Soviet Union, Bob Bergland, U.S. Agriculture Secretary, said in Washington yesterday.

Mr. Bergland said that USSR meat output was down 11 per cent in June and 15 per cent in July from year-ago levels. "We will keep the beat on until they (USSR) decide on a civilised foreign policy," he said.

The USSR made a big mistake in judgment in foreign policy with the invasion of Afghanistan, he said. "The Soviets need our corn more than we need their trade."

The Secretary said the U.S. discussed the embargo with other main customers and made clear that the action should not be viewed as a change in the U.S. position as a reliable grain supplier.

"The embargo has not affected our relationship with other trading partners," Mr. Bergland said.

He said the embargo has nothing to do with the price of wheat, because the USSR would have taken more maize in the absence of an embargo.

He said the U.S. had a bumper wheat crop last year, and it will take about 14 months for the large crop to work its way through the system.

Mr. Bergland also said there was no possibility of restricting U.S. grain exports because of the smaller maize crop resulting from hot, dry weather. Reuter

WORLD BANK REPORT

Importance of grain self-sufficiency

BY DAVID DODWELL

TRADE IN foodgrains rose last year to 181m tonnes as more and more countries—most of them in the developing world—failed to satisfy often the most basic food needs from domestic production.

This tremendous volume of trade not only puts immense strain on the balance of payments of many poor countries, but also creates formidable handling and distribution problems for importers. The problem has become so severe that the World Bank is calling upon developing countries to put a high priority on self-sufficiency in food.

This marks a significant shift in World Bank policy, since it has in the past been one of the leading advocates of export-lead growth—a policy which has lead many developing countries to trim foodgrain production at the expense of export crops like palm oil, topioca, sugar cane and coffee.

"Before 1939, only Western Europe among the world's regions was a net improter of grains," the Bank says in its latest World Development Report. "Today, only North America and Oceania are not."

While in the late 1930s, just 25m tonnes was traded—4 per cent of global production—last year's trade of 181m tonnes accounts for 14 per cent of global production.

North America provides 20 per cent of all grain produced—and meets a staggering 80 per cent of the trade in grain. Average U.S. exports over the past three years have been 95m tonnes, while Canada's net annual trade surplus has been almost 18m tonnes.

By contrast, the largest exporter in Asia, Thailand, sold just 2.8m tonnes last year. This is important domestically in that it provides more than 13 per cent of all export earnings, but is almost insignificant measured against import needs among the developing countries averaging 36m tonnes over the past three years.

Among the developing countries, low-income countries (those with a per capita gross national product of less than $370 a year) are expected to import foodstuffs costing $7.7bn, which accounts for 17 per cent of their merchandise imports. The middle-income developing countries' imports are likely to cost $36bn—9 per cent of merchandise imports.

Among middle income countries, foodgrain imports account for almost a quarter of total consumption, compared with just 13 per cent a decade ago.

Even more worrying than the cost is severe pressure on the grain handling and distribution systems in developing countries. The Bank reports that they handle today four times the tonnage of 20 years ago.

"In times of food shortfalls, distributional bottlenecks are often a more important constraint than the ability to procure imports," the Bank says.

For example, Bangladesh last year faced one of the severest droughts in its recent history. To meet urgent needs, more than 2m tonnes of grain (mostly wheat) were imported under an emergency programme between July and November. It took a massive military-backed operation, personally orchestrated by President Ziaur Rahman, to ensure grain reached people worst hit by the drought. The President was no doubt galvonised by the memory that a similar drought in 1975 played a large part in the bloody overthrow of his predecessor, Sheikh Mujibur Rahman, in July, 1975.

The Bank concludes: "These constraints argue for a measure of self sufficiency in food but within limits. The earnings foregone as a result of the diversion of resources from other . . . investment can be substantial."

It thus advocates a "broad-based effort to stimulate agriculture," by improving yields, reducing waste in use of fertilisers and irrigation water, supporting extension services and shifting pricing policies so that they discriminate in favour of farmers.

N. Zealand offered compromise deal on butter

BY JOHN EDWARDS, COMMODITIES EDITOR

NEW ZEALAND is to be offered a compromise deal on its butter exports to the EEC, at a meeting in Brussels today. This follows renewed attempts by the French at a special EEC agricultural committee this week to block the deal, whereby New Zealand would reduce its butter exports to the Community in return for receiving a higher price, by means of a reduction in the EEC import tariff.

The agreement worked out by the Farm Ministers Council in July was that the duty on NZ butter imports would be lowered to 75 per cent of the intervention level, instead of 50 per cent at present, but France is now claiming that a tariff cut is not justified while a reduction in shipments should go ahead.

Britain is strongly opposing reneging on the July agreement, but it is understood that compromise proposals were put forward at Wednesday's EEC agricultural meeting under which the duty cut would be reduced to between 70 to 75 per cent of the intervention level. This compromise will be put to NZ representatives today, but if it proves unacceptable then Britain will press for an early meeting of the EEC Agriculture Ministers, probably on September 15 instead of the scheduled talks on September 29.

First reactions from New Zealand were hostile. Brian Talboys, acting Prime Minister, called on the European Commission to make a decision on the price of NZ butter imports. He noted that the deal was to have taken effect on August 1.

"The Community must make up its mind," he said. "We look to the EEC Commission and the Council of Ministers to do their part and reach a final decision as a matter of urgency."

However, it is generally recognised that New Zealand is not in a strong position on this issue, with current arrangements giving access to the EEC butter sales due to expire at the end of the year. It is suggested that although Britain is keen to maintain NZ supplies, its support for New Zealand has been weakened by agreements on other issues, notably reduction in its EEC budget contributions.

Cocoa meeting extended

Next week's International cocoa organisation council meeting in London has been extended from one to three days at the request of Brazil, the ICCO has said.

The meeting, now to be held from September 8 to 10, was called to give the council an opportunity to reconsider earlier decisions not to liquidate the buffer stock fund of over $230m.

Delegates said Brazil's request for an extension probably reflects a desire to have detailed discussions on how the accounts of the buffer stock should be kept, particularly if a new cocoa pact is negotiated later this year. Reuter

French stockpile bond planned

PARIS—Caisse Francaise des Matieres Premieres, the French State commodity stockpile agency, plans a FFr 500m (£50m) 10-year domestic bond with a 14 per cent coupon, bond market sources said.

The agency then bought non ferrous metals worth FFr 250m and there are now estimated to be worth around FFr 523m. Reuter

London soya market boost

TRADING ON the London soyabeanmeal futures market has risen strongly during the past month following a revision of the contract and the change in the world supply-demand situation.

This was good news at the annual general meeting in London yesterday of Soyabean Meal Futures Association, which has been worried in the past few years by an apparent lack of interest in the market.

Brian Rutherford, re-elected chairman of the Association, said the committee now felt that the contract was "right." Turnover after falling in the first half of the year had recovered strongly

British barley exports rising

BARLEY EXPORTS from Britain during the first 20 days of August reached 69,625 tonnes against 39,000 tonnes exported for the whole of August 1979, the Home Grown Cereals Authority (HGCA), said. Exports in July this year were 79,000 tonnes.

Traders said while the August figure is impressive, the smaller tonnage for the same month in 1979 was due to a delayed harvest and lack of EEC export tender facilities.

British wheat exports meanwhile, continue light at 2,542 tonnes for the first 20 days in August 29 to over 254,500 all of July the HGCA said.

UK grain continued to flow into intervention in the week to August 29 with offers including about 56,000 tonnes of barley, over 24,000 tonnes of breadmaking wheat, about 1,400 tonnes of oilseed rape and nearly 2,000 tonnes of feed wheat, the HGCA said.

This brought the cumulative tonnage offered as at noon on August 29 to over 254,500 tonnes.

The authority said the flow of offers reflected the progress of the British harvest. Offers up to mid-August were mainly barley, but included some oilseed rape, and were mainly from the east, the Midlands and the south. In the second half of August an increasing proportion of grain offered came from northern England and Scotland and breadmaking wheat started to be offered in sizeable quantities last week.

In Bonn, H. Josef Ertl, West German Agriculture Minister, has said the West German 1980 grain crop should rise to a provisional 23.1m tonnes compared with 22.9m in 1979.

Herr Ertl noted the figures are calculated on an average basis and added about 30 per cent of the grain is still standing in the fields.

Final figures for the 1980 grain crop are expected around the end of this month, he said.

The 1980 winter barley crop is expected to rise to 5.9m tonnes from 4.9m last year, with yields per hectare showing a 12.3 per cent increase.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Barely changed in quiet trading on the London Metal Exchange. After opening at £853 and moving up to £856 during the pre-market, reflecting reports that no copper is coming out of Zambia, forward metal fell back to £849 during the afternoon on profit-taking but rallied to close the late Kerb at £852.5. Turnover 25,625 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	838-9	+10.2	831-3	-0.8
3 months	854.5-5	+19	850.5-1	+1
Settlem't	839	+10.0	—	
Cathodes				
Cash	805-6	+6.5	801-3	-2
3 months	828-9	+8	823-5	-1
Settlem't	806	+6.5	—	.....
U.S. Prod	—	.....	*86.7-88.25	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £841, 38, three months £855, 56, 56.5, 55.5, 55, 54.5. Cathodes: Cash £806, three months £828. Kerb: Wirebars, three months £855, 54, 53, 53.5, 53. Cathodes: Untraded. Afternoon: Wirebars, Cash untraded; three months £849, 50, 50.5, 50, 51, 51.5, 51, 50.5. Cathodes: three months £824. Kerb: Wirebars, three months £851, 52.5, 52, 51, 52, 52.5. Cathodes: Untraded.

TIN—Slightly firmer. Forward metal opened around the £7,105 level and held steady throughout the pre-market and morning Rings. On the morning Kerb good fresh demand for both cash and forward material lifted the latter to £7,130 and the former to £7,120. In the afternoon three months held around the £7,125 mark at which level it closed the late Kerb. Turnover: 1,445 tonnes. Tin: morning standard Cash £7,080, 7,100, 20, three months £7,105, 7,100, 05. High Grade: Cash untraded, three months £7,120. Kerb: Standard: Three months £7,130. High Grade: Untraded.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7120-30	.....	7100-10	+40
3 months	7135-45	+67.5	7125-30	+95
Settlem't	7130	+100	—	.....
Standard				
Cash	7120-30	.....	7100-10	+40
3 months	7130-40	+57.5	7125-30	+25
Settlem't	7130	+100	—	.....
Straits. E.	§$2160	.....	—	.....
New York	—	.....		

Afternoon: Standard: Cash untraded, three months £7,125, 30. High Grade: Untraded. Kerb: Standard: Three months £7,125, 30. High Grade: Untraded.

LEAD—Easier. Forward metal opened at £366 but fell away to £363 following hedge selling and bull liquidation. This was followed by good trade buying and the price rallied to £366. Thereafter the market moved in a £4 range prior to closing the late Kerb at £365. Turnover: 10,125 tonnes.

Morning: Cash, £351, three months £366, 65.5, 66, 64.5, 65, 65.5. Kerb: Three months £365.5, 65, 64, 63, 62.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	350-1	-3	348-50	-2.5
3 months	365-6	-5	363-5	-2.5
S'ment	351	-3	—	.....
U.S. Spot	—	.....	*42.4	-1

Afternoon: Cash Untraded, three months £361, 62, 62.5, 63. Kerb: Three months £364, 65.

ZINC—Moved narrowly prior to ending the afternoon Kerb at £329. Turnover £4,375 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	318.5-9.5	-1	318-9.0	-0.75
3 months	328-9	-1.75	328-8.5	-1
S'ment	319.5	+7	—	.....
Primw'ts	—	.....	*35.5	.....

Morning: Cash £319, three months £329, 28, 29. Kerb: Three months £328. Afternoon: Cash £318, three months £328, 27.5, 27, 28, 28.5. Kerb: Three months £328, 29.

ALUMINIUM—Quietly steady with forward metal finally £704 on the late Kerb after a day's high of £708 in the morning. Turnover: 8,375 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	703-5	+6.5	704-4.5	+2.75
3 months	706-7	+5	705.5-6.5	+2.25

Morning: Cash untraded, three months £707, 06, 07. Kerb: Three months £708. Afternoon: Cash £705, three months £708, 706. Kerb: Three months £706, 05, 04.

NICKEL—Marginally firmer in subdued trading. Forward metal held steady throughout the day and closed the afternoon Kerb at £2,730. Turnover: 180 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2697-9	+15.5	2695-705	+15
3 months	2725-6	+10.5	2730-1	+8

Morning: Cash £2,695, 2,700, 2,695, three months £2,725, 28, 25. Kerb: Untraded. Afternoon: Cash £2,700, three months £2,730. Kerb: Three months £2,730, 20.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 0.25p an ounce higher for spot delivery in the London bullion market yesterday at 670.35p. U.S. equivalents of the fixing levels were: Spot $16.205, up 1.9c; three-month $18.874, up 2.4c; six-month $17.211, up 1.7c; and 12-month $16.192, up 2.7c. The metal opened at 672p-677p ($18.25-$18.35) and closed at the same level.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	670.35p	+0.25	675.6p	-0.5
3 months	697.90p	+0.80	708.75p	-0.5
6 months	725.40p	+0.60	—	.....
12months	772.60p	+0.80	—	.....

LME—Turnover 154 (52) lots of 10,000 ozs. Morning: Three months 700, 700.5, 700, 699.5, 99. Kerbs: Untraded. Afternoon: Three months 704, 3.5, 3. Kerbs: Three months 704, 3.5, 3.

COCOA

Cocoa futures traded throughout a very quiet day within a narrow £8

COCOA	Yesterd'ys Close	+ or —	Business Done
Sep	930-933	+1.5	935-929
Dec	970-971	+2.0	974-967
March	1010-11	+2.0	1015-07
May	1031-34	+3.0	1035-28
July	1053-57	+3.0	1055-50
Sept	1072-79	-1.9	1081-75
Dec	1100-1104	+2.0	1100

Sales: 1,133 (2,282) lots of 10 tonnes.

range, reflecting the lack of physical trading being transacted. Both producer and consumers remain withdrawn, and second-hand business also continues to be modest, reports Gill and Duffus.

COFFEE

London coffee futures consolidated in a narrow trading range during a featureless morning session, reports Drexel Burnham Lambert. In the afternoon a steady tone was maintained as the market adjusted technically following the recent declines, and early losses were erased in mixed dealings.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	1042-44	+24.5	1045-15
Nov	1087-88	+19.5	1100-1083
January	1130-35	+10.5	1139-15
March	1147-48	+7.0	1156-30
May	1160-67	+5.5	1199-50
July	1165-88	-1.0	1190-77
Sept	1220-28	+14.0	—

Sales: 2,304 (4,667) lots of 5 tonnes.

ICO Indicator prices for September 2 (U.S. cents per pound). Other Mild Arabicas 124.00. Robustas ICA 1979 121.50. ICA 1968 121.75. Unwashed Arabicas 211.50. Comp. daily ICA 1968 183.06.

GRAINS

	WHEAT		BARLEY	
M'nth	Yesterday close	+ or —	Yesterday close	+ or —
Sept.	99.69	+0.10	90.30	-0.35
Nov	100.25	+0.15	94.20	-0.20
Jan.	104.30	+0.15	98.25	-0.20
Mar.	107.85	+0.20	101.90	.....
May	111.40	+0.20	109.45	+0.05
July	114.90	+0.20	—	.....

Business Done—Wheat: Sept. no trade, Nov. 100.40-100.15, Jan. 104.45-104.15, March 108.00-107.80, May 111.45-111.25, July unquoted. Sales 285 lots of 100 tonnes. Barley: Sept. 90.60-90.35, Nov. 94.60-94.20, Jan. 98.60-98.25, March 102.05-101.90, May 105.55-105.50. Sales 236 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 89.10, E. Midlands 85.80, N. East 85.30, Scotland 87.20. Other milling wheat: E. Midlands 97.20, N. East 99.20.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, Sept. 96.50, Oct. 99.25, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Oct. 99.75 transhipment East Coast.

Maize: U.S./French Sept. 122.50, Oct. 121, transhipment East Coast. S. African Yellow Sept.-Oct. 90.

Barley: English Feed fob Nov. 98, Dec. 100 paid East Coast. Rest unquoted.

RUBBER

The London physical market opened higher, with good terminal interest, closing quietly steady. Lewis and Peat reported an fob September price for No. 1 RSS in Kuala Lumpur of 317 (312.5) cents a kilo and SMR 20 at 280 (275.5).

No. 1 R.S.S.	Business Done	Yest'day Close	Previous Close
Oct.	66.60-67.00	65.40-65.50	66.90-65.90
Nov.	67.40-68.10	66.30-66.40	67.50
Oct-Dec	67.60-67.90	66.30-66.40	68.00-67.20
Jan-Mar	71.20-71.30	70.00-70.10	71.50-70.10
Apr-Jne	74.10-74.20	73.10-73.20	74.50-73.10
Jly-Sept	76.90-77.00	75.90-76.00	77.40-75.90
Oct-Dec	78.40-79.00	78.40-78.50	79.80-78.50
Jan-Mar	82.00-82.10	81.00-81.10	82.50-81.40
Apl-Jne	84.60-84.70	83.50-84.20	84.90-84.20

Sales: 530 (218) at 15 tonnes; 51 (13) at 5 tonnes.

Physical closing prices (buyer) were: Spot 65.00p (64.50p); Oct. 66.50p (65.25p); Nov. 67.00p (66.25p).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 197 tonnes, bringing the total for the week so far to 817 tonnes. Some South American growths were in demand but most of the interest centred on African qualities as well as Russian and Turkish styles.

SOYABEAN MEAL

The London market opened £1.00-£1.50 higher and continued commission house buying pushed prices to almost £3.00 higher at one point before profit-taking eased them to close at around £2.00 higher on the day, reports T. G. Roddick.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
October	121.20-21.5	+1.80	122.00-20.00
December	126.10-26.4	+1.85	127.00-24.50
February	128.50-28.6	+2.05	129.00-26.50
April	129.50-29.7	+1.95	129.50
June	128.50-31.5	+2.25	—
August	128.50-33.0	+1.9	—
October	128.50-33.5	+0.80	—

Sales: 209 (207) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £305.00 (£319.00) a tonne cif for Sept.-Oct. shipments. White sugar daily price was £305.00 (£214.00).

Continued commission house liquidation following the weaker tone evident during kerb trading last night, caused price levels to fall by some £8.00. However, good trade support was apparent at the lower levels and a partial recovery had been made by the close, reports C. Czarnikow.

No. 4 Contract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Oct	317.00-17.25	325.75-26.25	323.00-16.50
Jan	328.50-29.00	340.00-40.50	338.00-29.00
Mch	340.50-40.90	347.75-48.00	348.00-38.50
May	348.00-38.75	345.00-46.00	346.50-36.50
Aug	331.00-31.50	334.00-35.00	335.00-27.50
Oct	320.55-20.85	321.85-21.15	321.50-17.00
Jan	301.00-02.00	306.00-09.00	302.50-299.0

Sales: 6,902 (3,599) lots of 50 tonnes.

No. 2 CONTRACT—Close (in order buyer, seller, business, sales). Oct. 322.00, 322.50, 326.00-310.50. Sales: 225 (148).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £393.50 (£408.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for September 2. Daily price 31.88 (31.45); 15-day average 31.70 (31.75).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Oct. 459.5, 460.0, 460-458.5, 46; Dec. 466.0, 467.0, 467.0-465.5, 22; March 475.0, 476.0, 475.9-473.0, 31; May 478.5, 479.0, 479.0-477.0, 43; July 481.0, 482.5, 483.0-479.0, 33; Oct. 483.0, 484.0, 483.5-480.0, 18; Dec. 484.0, 486.0, 484.5-482.5, 11; March 485.5, 488.0, 486.0-483.0, 15. Sales 219.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Oct. 361, 366, nil, nil; Dec. 370, 373, nil, nil; Jan. 374, 376, nil, nil; March 374, 377, 375-374, 4; May 376, 379, nil, nil; Aug. 377, 380, 378, 2; Oct. 377, 380, nil, nil; Dec. 377, 380, 378, 5; Jan. 377, 380, 380, 5; March 377, 384, nil, nil. Sales: 16.

POTATOES

LONDON POTATO FUTURES—Steady trade buying overcame early long liquidation to move the market 20p up by lunch, and these levels were maintained during the quieter afternoon trade, reports Coley and Harper. Closing prices: Nov. 41.30, +20 (high 41.40, low 41.00); Feb. 48.00, +20 (high 48.00, low 47.80); April 55.00, +30 (high 55.00, low 54.50). Turnover: 35 (21) lots of 40 tonnes.

*

GRIMSBY FISH—Supply: good; demand: fair. Prices at ship's side (unprocessed) per stone—Shelf cod £5.00-£5.0, codlings £2.50-£4.00. Large haddock £5.00-£5.20, medium £2.50-3.50, small £1.60-£2.50. Large plaice £6.00, medium £5.00-£6.00, best small £3.00-£4.00. Skinned dogfish (large) 4.50-£5.80, (medium) £3.80-£4.50. Lemon soles, large £9.00, medium £7.50. Saithe £2.50-£3.00.

PRICE CHANGES

In tonnes unless otherwise stated.

	Sept. 3 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	.....	£810/815
Free Mkt	$1700/1738	.....	$1760/90
Copper			
Cash w'bar	£832	-0.5	£900
3 mths	£850.75	+1	£928.50
Cash Cathode	£802	-2	£876
3 mths	£824	-1	£903
Gold troy oz	$637.5	-5	$627.5
Lead Cash	£349	-9.5	£361
3 mths	£364	-2.5	£373.5
Nickel	£3,205.00	.....	£3,189.43
Freemkt (cif) (lb)	290/315c	.....	290/305c
Platin'm'tr'y oz	£202	.....	£182.50
Free mkt	£272.25	+0.05	£270.05
Quicksilver†	$405/415	.....	400/415
Silver troy oz	670.35p	+0.25	670.20p
3 mths	697.90p	+0.80	696.70p
Tin Cash	£7,105	+40	£7,272.5
3 mths	£7,127.5	+25	£7,105
Tungsten 22.04lb	$144.87	+0.13	$143.59
Wolfrm 22.04lb	$191/154	.....	$149/151
Zinc cash	£318.25	-0.75	£328
3 months	£328.25	-1	£335.25
Producers	$790	.....	$790
Oils			
Coconut (Phil)	$620x	+5	$645
Groundnut	‡	.....	‡
Linseed Crude	£387	.....	£419
Palm Malayan	$650v	+5	$560
Seeds			
Copra Philip	$415x	.....	$445
Soyabean (U.S.)	$540.75t	+5.75	‡
Grains			
Barley Futures	£94.20	-0.2	£95.00
Maize			
French No3AM	£100.50	.....	£122
Wheat			
No.1 Red Spg	‡	.....	‡
No2HardWint	£99.75	.....	£95.75
Eng. Milling†	‡	.....	‡
Other commodities			
Cocoa ship't	£1,031	+8	£1,075
Future Dec.	£970.5	+2	£1,020.5
Coffee Ft Nov.	£1,087.5	+18.5	£1,272
Cotton A Index	102.30c	.....	94.30c
Rubber (kilo)	65p	+0.5	53.75p
Sugar (Raw)	£305	-14	£325
Woolt'ps 64s kl.	867p Kilo	.....	286p Kilo

‡ Unquoted. t Oct. u Sept.-Oct. v Nov. z Indicator. § Buyer. † Per 76-lb flask. * Nominal.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 60.8 to 65.2; Eire hindquarters 71.1 to 74.2, forequarters 39.0 to 41.0. Veal: Dutch hinds and ends 100.0 to 104.0. Lamb: English small 55.0 to 60.5, medium 52.5 to 56.5, heavy 45.0 to 49.0; Scottish medium 49.0 to 58.0, heavy 44.0 to 48.0. Imported frozen: NZ PL 56.9 to 57.5. PM 50.0 to 50.8. Pork: English, under 100 lb 42.2 to 48.2, 100-120 lb 39.2 to 45.8, 120-160 lb 39.2 to 44.2.

MEAT COMMISSION—Average fatstock prices at representative markets on September 3. GB cattle 73.57p per kg lw (−0.59); UK sheep 115.56p per kg est dcw (+3.31); GB pigs 65.40p per kg lw (+1.44).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported produce: Oranges—Californian: 72/88 6.40-6.60, 113 5.50-5.80; Outspan: Valencia Lates 112 4.30, 138 3.95, 150 3.20, 88 5.45, 56 5.75-6.00, 72 5.85-6.50; Navelates 112 4.05, 138 3.75, 190 3.00; Brazilian: 3.80-5.90. Lemons—Italian: 100/150 5.25-6.50; Spania: Trays 25/45 2.50-3.00, 8pxpe 5.50-6.00. Grapefruit—Outspan: Marsh Seedless 4.50-6.75; Uruguayan: 36/72 5.00-7.00. Tangerines—Brazilian: Honey ½-boxes 4.30-4.50. Apples—French: Golden Delicious approx. 20lb, 72 2.10-2.30; 40lb 125/150 4.50-4.70; Spanish: Granny Smith 40lb 7.00-10.00, ½-boxes 4.80-5.60. Pears—French: Per 28lb Dr. Guyot 2.40, Williams 2.80-3.00; Italian: Per pound Williams 0.10-0.13, Guyot 0.08. Peaches—Italian: 1½-trays 1.80-2.20; French: 1.40-1.60. Nectarines—Italian: 3.80-4.40. Plums—Italian: Boxes, Belles/Stanleys/Giant Prunes per pound 0.08-0.09; Hungarian: Switzens 13lb 1.50. Grapes—Cyprus: Per pound Cardinal 0.35, Sultana 0.27, Alphonse Lavallee 0.40, Thompson 0.35; Italian: Per pack Regina 2.00-2.50; Spanish: Italian per pound 0.30, Alphonse Lavallee 0.26; French: Alphonse Lavallee, 8 kilos, 3.90-4.00. Melons—Spanish: Yellow 10kg 3.00-3.50. Water-Melons—Greek: Per 20kg 5.00, per 15kg 4.00. Bananas—Jamaican: 28lb, per 0.19. Tomatoes—Jersey: 3.80; Dutch: 4.00-4.20; Guernsey: 3.60-4.00. Onions—Spanish: 3.80-4.00; Dutch: 3.20-3.40; Italian: 10kg 2.00. Cabbages—Dutch: White 3.60-4.00. Greengages—Spanish: 2.30-2.80.

English produce: Potatoes—Per bag, new 1.20-1.80. Mushrooms—Per pound 0.60-0.80. Apples—Per pound Grenadier 0.04-0.05, Howgate 0.08-0.07, Derby 0.07-0.08, Tydeman's Early Worcester 0.14-0.20, Discovery 0.16-0.22, Bramleys 0.10-0.14, Worcester Pearmain 0.08, 0.10-0.14, Worcester Pearmain 0.15-0.20. Pears—per lb Williams 0.08, Dr Jules 0.06. Plums—Per 12lb Belles 1.00, Victories 1.50, Oroopets 0.80, Damsons 1.80. Cabbages—Per bag 1.80. Cauliflowers—Per 12 2.00-2.50. Peas—Per pound 0.07. Beetroots—Per bag 1.00. Cucumbers—Trays 10/20 1.60-2.40. Tomatoes—Per 12lb 3.40-3.80. Lettuces—Per 12, round 0.60-1.00, Cos 1.40, Webbs 1.30. Carrots—New crop 28lb 1.00-1.50. Onions—Per bag 2.40-3.00, Picklers 3.00. Celery—Per pack 20/30 3.30-3.50, naked 12s 1.40-1.60. Marrows—Box 12/15 1.00. Capsicums—Per pound 0.25. Runner Beans—Per pound 0.14-0.16. Swedes—Per 28lb Devon 1.00. Courgettes—Per pound 0.14-0.15. Sprouts—Per pound 0.10-0.12. Corn Cobs—Each 0.10-0.12. Strawberries—Per ½lb 0.30-0.40.

AMERICAN MARKETS

NEW YORK, September 3.

THE LIVESTOCK markets were mixed with bellies and hogs limit up on lighter than expected slaughter rates. The grain and soyabean complex was mixed with short-covering providing support on setback. Profit-taking in gold and silver pressured values while copper came under pressure on the evasion of a copper worker strike in Zambia. Cocoa was higher on short-covering ahead of the upcoming International Cocoa Agreement negotiations, while coffee firmed late on expectations of producer support. Sugar rose on trade support while cotton continued to show gains on continued deterioration of the new crop, reported Heinold.

Copper—Sept. 87.30-87.40 (88.35), Oct. 88.40 (89.25), Nov. 89.30, Dec. 90.10-90.30, Jan. 91.00, March 92.60-92.80, May 94.40, July 96.10, Sept. 97.80, Dec. 99.95, Jan. 100.65, March 102.05, May 103.40, July 104.75. Sales: 5,700.

Potatoes (round whites)—Nov. 89.9 (89.5), March 126.5-127.0 (125.6), April 152.2-153.0. Sales: 3,085.

Sugar—No. 11: Oct. 32.90-33.08 (32.75), Jan. 34.20 (34.25), March 35.10-35.25, May 34.75-34.86, July 34.05-34.12, Sept. 32.60-32.70, Oct. 31.90-31.95, Jan. 28.96. Sales: 14,150.

Tin—790.0-798.0 (783.0-796.0).

CHICAGO, September 3.

Chicago Imm Gold—Sept. 639.5-637.0 (639.8), Oct. 642.5 (645.0), Dec. 657.1-658.0, Jan. 665.4, March 681.0, April 688.8, June 704.2, July 712.0.

Lard—Chicago loose 22.75 (23.00). New York prime steam unavailable.

Live Cattle—Oct. 68.95-69.05 (69.32), Dec. 70.80-70.90 (70.57), Jan. 71.10-71.25, Feb. 72.05-72.10, April 73.80-73.90, June 74.95, Aug. —.

Live Hogs—Oct. 43.30-43.50 (42.42), Dec. 46.30 (44.80), Feb. 43.60, April 49.05, June 53.37, July 54.00, Aug. 52.00, Oct. 49.35, Dec. —.

‡‡Maize—Sept. 359¼-359½ (362¼), Dec. 358½-359 (360), March 368¼-368½, May 371½-373, July 371½-371¾, Sept. 361½-362.

Pork Bellies—Feb. 62.57 (60.57), March 62.32 (60.32), May 63.50, July 63.90, Aug. 62.50.

Silver—Sept. 1624.0 (1644.0), Oct. 1640.0 (1660.0), Nov. —, Dec. 1679.0, Feb. 1720.0, April 1761.0, June 1803.0, Aug. 1844.0, Oct. —, Dec. 1926.0, Feb. 1968.0, April 2010.0, June —, Aug. 2094.0, Oct. 2136.0, Nov. —, April —.

†Soyabeans—Sept. 811½-811 (809½), Nov. 832-830 (830½), Jan. 849-847½, March 864-865, May 869-869½, July 867-868, Aug. 859, Sept. 835.

‖Soyabean Meal—Sept. 231.5 (231.7), Oct. 234.2-234.0 (234.7), Dec. 240.0-239.5, Jan. 242.2-242.5, March 245.5, May 245.0-245.5, July 245.5, Aug. 241.0, Sept. 239.5.

Soyabean Oil—Sept. 27.00-26.95 (26.48), Oct. 27.20-27.15 (26.73), Dec. 27.70-27.75, Jan. 27.95-27.90, March 28.30-28.40, May 28.50-28.60, July 28.70, Aug. 28.50-28.60, Sept. 28.50.

†Wheat—Sept. 471-470 (467½), Dec. 492-493½ (492½), March 512-511½, May 518½, July 515-514, Sept. 521.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 246.24 (244.74).

WINNIPEG, September 3. §Barley—Oct. 139.70 (139.70), Dec. 138.50 (138.80), March 138.90, May 139.40, July 138.10.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, September 3.

Wheat—U.S. No. 2 Dark Hard Winter, 13.9 per cent, Sept. $214, Oct. $218, Nov. $221, Dec. $224. U.S. No. 2 Red Winter, Sept. $204, Oct. $206, Nov. $210. U.S. No. 2 Northern Spring, 14 per cent, Sept. $212, Oct. $219, Nov. $221, Dec. $226.

Maize—Afloat $172, Sept. $171.50, Oct. $171.50, Nov. $173, Dec. $176, Jan.-March $181, April-June 180.50.

Soyabeans—U.S. Two Yellow Gulfports Sept. $331, Oct. $332, Nov. $334.25, Dec. $340.75, Jan. $344.75, Feb. $351.75, March $352.50, April $354, May $354.75 sellers. Argentine afloat $319, Aug. $317.50, Sept. $322 sellers.

Soyameal—44 per cent protein U.S. afloat $278, Aug. $276, Sept. $279, Oct. $285, Nov.-March $295. Brazil Pellets afloat $284, Aug. $282, Sept. $291, Oct. $300, Nov.-March $309.

PARIS, September 3.

Cocoa (FFr per 100 kilos)—Sept. 890-895, Dec. 940-944, March 985-990, May 995-1015, July 1010-1040, Sept. 1036-1060. Sales at call 3.

Sugar (FFr per 100 kilos)—Oct. 3050-3055, Nov. 3030-3090, Dec. 3140-3145, March 3245-3255, May 3240-3250, July 3140-3210, Aug. 3090-3170, Oct. 3045-3065. Sales at call 3.

INDICES

FINANCIAL TIMES

Sept. 2	Sep. 1	Mnth ago	Year ago
274.54	273.95	274.76	282.07

(Base: July 1, 1952=100)

MOODY'S

Sept. 2	Aug. 22	M'nth ago	Year ago
1843.2	1236.1	1225.5	1100.2

(December 31, 1931=100)

DOW JONES

Dow Jones	Sept. 2	Aug. 29	Month ago	Year ago
Spot	447.87	446.10	445.92	399.82
F'tur's	467.07	465.46	450.57	406.35

(Average 1924-25-26=100)

REUTERS

Sept. 3	Sept. 2	M'nth ago	Year ago
1734.4	1733.2	1717.1	1587.8

Base: September 18, 1931=100)

PUBLIC NOTICES

OFFICIAL NOTICE

The loss has been reported to us of the following Warehouse Warrants:—
Numbers 250024 158 bags Nigerian Cocoabeans. Gross weight 10.008 kilos.
Numbers 250850 5 bags Nigerian Cocoabeans. Gross weight 301 kilos.
Numbers 250026 158 bags Nigerian Cocoabeans. Gross weight 10.008 kilos.
Numbers 250860 5 bags Nigerian Cocoabeans. Gross weight 301.5 kilos.
Anyone claiming to be entitled to these goods is limited to enter protest by means of summons against the delivery of these goods or the issue of a Duplicate Warrants.

FIFE REGIONAL COUNCIL

£2m 91 day bills issued 3/9/80, due 3/12/80 at 15 1/32%. Total applications £16m. Outstanding £4m.

SOLIHULL METROPOLITAN BOROUGH

£3.0m Bills due on 3rd December 1980 were offered on 3rd September 1980 and were allocated at a rate of 16⅛%. Applications totalled £27.5m. This issue will bring the total of Bills outstanding to £4m.

LINCOLNSHIRE COUNTY COUNCIL BILLS

£5m 91 day Bills issued 3.9.80 due 3.12.80 at 15⅜%. Applications £43½m. £2m 42 day Bills issued 3.9.80 to 15.10.80 at 15 1-64th%. Applications £12m. These are the only Bills outstanding.

EXETER CITY COUNCIL BILLS

£350,000 bills issued 3rd September 1980 due 3rd December 1980 at 15 7-64ths%. Applications totalled £1,750,000. £350,000 bills are outstanding.

DUDLEY METROPOLITAN BOROUGH

£2.1m Bills issued today due 4th December, 1980, at average rate of 15.019%. Total applications £20m. Total outstanding £6.4m.

COMPANY NOTICES

HENRY DENNY & SONS LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the Preference Shares of this Company will be closed from 13th September 1980 to 29th September 1980, both dates inclusive.

HANDELSVEEM B.V.
AMSTERDAM (COCOA DEPT.).
T. L. BALDWIN,
Secretary.
Battlebridge House,
Tooley Street,
London, SE1 2RJ.

CLUBS

New-found Gilt market optimism spreads to equities
Shorts rise £1¼ and 30-share index gains 7.1 to 489.8

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Aug. 11	Aug. 28	Aug. 29	Sept. 8
Sept. 1	Sept. 11	Sept. 12	Sept. 22
Sept. 15	Sept. 25	Sept. 26	Oct. 6

* "New time" dealings may take place from 8 am two business days earlier.

Another strong advance in Gilt-edged securities provided the necessary stimulus for London equity markets which pushed higher yesterday. The former's rise for the fourth successive day was accompanied by a noticeable expansion in trade, especially among the shorts, and impressed the House to the extent that increased optimism was generated about the possibility of a political move to cut Minimum Lending Rate. Other factors lending support were continuing hopes of a moderation in wage demands and talk that next week's banking statistics may be less bad than feared.

Building Society funds of good size were invested in high-coupon short Gilts, the market in which also experienced considerable Discount House activity. After coming away from the high points in the afternoon, quotations at this end of the market went ahead again later on fresh demand and settled as much as 1¼ points up at the day's best. Longer-dated stocks were not quite as impressive and, although ending with further gains to ⅞, were sometimes ½ to ⅜ below the highest. Unconfirmed reports suggested that the Government broker had rejected a low bid for supplies of the partly-paid medium tap stock, Treasury 11¾ per cent 1991 "A."

The rise in equities gathered momentum as the day progressed, although turnover throughout was limited. Nevertheless, equity dealers found it difficult to resist the Gilt-edged market's new-found optimism and, in the absence of sellers, leading industrials staged gains ranging to 6 pence; GEC were exceptionally 10 better at 498p. In most sectors, the tone at the close was the session's firmest and the FT Industrial Ordinary share index reflected this with a final gain of 7.1 at 489.8. Overall, rises in FT-quoted industrials outnumbered falls by 7-to-2 although nearly two-thirds of the stocks remained at the overnight levels.

Demand for Traded options continued to improve and business was much more widely spread than of late. Deals arranged amounted to 1,278 compared with the previous day's 1,174. Grand Metropolitan remained active with 223 deals, while Courtaulds attracted 266, and GEC, 158.

Sun Alliance up

Interest in Insurances centred upon the three major Composite companies reporting half-yearly figures. Sun Alliance touched 758p ahead of the statement, retreated to 744p on them and closed 8 higher on balance at 752p, while Phoenix rose 6 to 292p. GRE closed 4 better at 332p. Elsewhere, Alexander Howden came on offer among Lloyds Brokers, closing 3 off at 97p, after 96p, while Willis Faber dipped 6 to 240p; the latter's mid-term results are due on September 16.

Discount Houses moved higher in sympathy with gilts. Union rose 10 to 495p and Gerrard and National advanced 6 to 280p, while Cater Ryder improved 5 to 360p and King and Shaxson, 88p, and Smith St. Aubyn, 144p, added 4 apiece. Keyser Ullmann stood out in firm Merchant Banks with a rise of 4 to 95p. Guinness Peat gained a like amount to 134p and Hill Samuel rose 3 to 140p. Still reflecting the increased stake recently taken in the company by Britannia Arrow, Minster Assets edged forward 1½ to 57p. The quietly firm major clearers had Barclays 5 up at 415p and Lloyds 3 dearer at 318p. Bank of Scotland finished 5 harder at 273p; the interim figures are due on September 23.

Following reduced beer production, leading Breweries bucked the firmer trend seen elsewhere in equities. Bass dipped 3 to 231p, while Whitbread eased a couple of pence to 153p. Among regionals, Belhaven were again wanted and hardened the turn to 35p. Wines and Spirits usually ended a shade firmer. Invergordon rose 2 to 202p, while Amalgamated Distilled Products firmed 2 for a two-day gain of 5 at 41p.

Higgs and Hill closed a penny cheaper at 89p, after 93p, following the bid from BICC of 110p per share subject to an asset valuation of Higgs. Elsewhere in the Building group, Costain edged up 4 more to 186p in front of today's interim figures. Other Contracting issues to make headway included Barratt Developments, which improved 4 to 137p and Marchwiel, 83p, and Mowlem, 98p, up 3 apiece. Blue Circle put on 2 to 348p, with the new shares a similar amount dearer at 50p premium.

Among Chemicals, ICI made further progress and closed 4 to the good at 364p.

H. Goldman good again

Stores again traded quietly although a firmer undertone left the leaders a few pence better where altered. Mothercare remained firm and closed 6 up at 252p, while Gussies "A" added 4 to 460p and British Home Stores hardened 2 at 157p. Secondary issues were again featured by H. Goldman which, still excited by Mr. Ian Wasserman's interest in the company, improved 4½ more to 30p. James Beattie "A" continued to benefit from Tuesday's interim statement and ended 4 better for a two-day gain of 6 at 138p. Higher first-half profits and dividend helped I. J. Dewhirst, 3 dearer at 54p, but Church eased a couple of pence to 158p following the setback in interim earnings. Support was again noted for MFI, 3 better at 58p, while Waring and Gillow, annual results Friday, added 2 at 104p.

Selective support was forthcoming for Electrical shares. Among the leaders, GEC stood out with a gain of 10 at 498p, while Racal improved 5 to 307p and Thorn EMI edged up 2 more to 378p. Elsewhere, Whitworth Electric, featured afresh with a further rise of 8 for a three-day leap of 27 to 48p in response to Monday's good results. United Scientific advanced 15 to 328p and Ferranti 13 to 423p, while Dubilier were in renewed demand and touched 75p before closing 4 up at 73½p.

Weir Group became a late dull spot in the Engineering sector, closing 3 off at 25p, after 22p, on the half-year loss and the passing of the interim dividend. In contrast, Westland, still reflecting Press mention and the recent announcement of helicopter orders, advanced 6 more to 128p. 600 Group hardened 2 to 60p following news of the acquisition of a 20.6 per cent stake in Clausing Corporation of the U.S., while Northern Engineering firmed 3 to 62p awaiting today's interim figures. Occasional support lifted IMI 4 to 58p and Babcock 3 to 93p.

A subdued sector of late, Foods came in for support and often closed with double-figure gains. Among supermarkets, J. Sainsbury jumped 18 to a 1980 peak of 488p, while Associated Dairies finished 10 to the good at 228p. A Broker's recommendation prompted an active business in British Sugar which, additionally buoyed by bid hopes, improved 13 at 265p; Tate and Lyle added 5 to 160p in sympathy. Noteworthy gains were also recorded in Avana, 11 up at 181p, Kwik-Save, 7 better at 127p, and Bernard Matthews, 7 firmer in a thin market at 235p. Firm since last week's doubled preliminary profits, Somportex met with increased demand and advanced 18 to 188p. Associated British Foods picked up 4 to 125p, while Linfood added 3 more at 165p.

Manchester Ship good

Miscellaneous Industrial leaders took on a firmer appearance but the volume of business left much to be desired. Demand ahead of next Thursday's interim results helped Turner and Newall rise 5 to 109p, while Metal Box gained 8 to 288p and Glaxo, 240p, and Reckitt and Colman, 208p, improved 4 apiece. Pilkington, however, came on offer at 237p, down 5. Elsewhere, Manchester Ship Canal stood out with a Press-inspired gain of 23 to 203p, while Syltone moved up 10 to 198p in the late trade in response to news of the fund-raising plans announced at the AGM. Further buying in a thin market prompted a fresh improvement of 20 to 460p in Aeronautical and General Instruments, while J. Bibby reflected the firmness in foods and closed 8 higher at 224p. Powell Duffryn attracted buyers and also rose 8 to 235p, while Johnson Matthey added 7 to 223p. Laundry and dry-cleaning issues revived with Sunlight Services closing 5 to the good at 77p, Provincial 4 higher at 47p and Initial Services 3 dearer at 182p. Pritchard Services hardened 2 to 94p on the increased first-half profits. Wood Hall Trust continued firmly at 124p, up 4, but Diploma Investments fell 20 to 500p, after 493p, following comment on the results. Reflecting the static interim earnings and accompanying warning on future profitability, Nu-Swift reacted from an initial firm level of 24½p to 22½p, for a net loss of a penny. News of enforced redundancies at the company's Swansea factory left Mettoy a penny lower at 24p, while dealings in Movitex were suspended at 8p prior to a later announcement that a receiver has been appointed.

Grand Metropolitan's offer for Coral Leisure, announced on Monday, prompted speculative buying of other Leisure issues. Management Agency and Music firmed 5 to 157p, while Norton and Wright picked up 2 more to 73p. Good support was noted for Warner Holidays, 3 better at 56½p, with the A 5 up at 48p. Photax rose 6 to 62p, while Horizon Travel shrugged off threats of a holiday package tour price war and jumped 12 to 292p. Black and Edgington, on the other hand, fell 5 to 28p in response to the first-half deficit and passed interim dividend.

Motor Components tended to higher levels. Still helped by the 10 per cent wage agreement with its manual workers, Lucas rose 5 to 220p. Dowty added 7 at 247p, while Armstrong Equipment hardened 2 to 45p. Distributors also displayed a firmer appearance and gains of around 2 were common to Lex Service, 81p, Hartwells, 67p, and T. C. Harrison, 57p.

Vague suggestions that the key minimum lending rate might soon be cut enlivened Properties which closed firmer throughout. Land Securities put on 8 to 370p as did Great Portland Estates, to 280p, while Stock Conversion advanced 7 to 465p and MEPC 6 to 238p. Bid hopes continued to spur Rush and Tompkins and the close was a further 6 better at 218p.

Oils firm again

Leading Oils maintained a firmer trend, with BP closing a few pence harder at 344p in front of today's interim figures. Shell improved 4 to 410p, while Tricentrol, 322p, and Ultramar, 338p, both closed 8 up. Among the speculative issues, Sovereign featured late at 296p, up 31p, on an unconfirmed report of a North Sea Brae field stake changing hands at a price above recent valuations. Double Eagle advanced 35 to 240p and gains of 10 and 15 respectively were seen in Cluff, 285p, and Clyde, 450p.

Late gains in Golds

Another active day in mining markets saw South African Golds stage a fresh advance despite the lack of progress in the bullion price.

The sharemarket opened on a firm note, reflecting further good gains in overnight U.S. markets, but encountered local and Johannesburg profit-taking during the day.

In the after-hours' business, however, renewed American support was reported and prices responded accordingly to close at the day's best.

The Gold Mines index registered a further gain of 4 points to 405.0—its highest since the end of June, 1875.

Tuesday's rally in RTZ was taken a stage further as the shares rose 10 more to 457p, a two-day gain of 25. Other UK Financials also moved ahead.

Australians extended Tuesday's recovery following good gains in overnight domestic markets. Golds were prominent as sharply increased profits and dividends lifted Poseidon 8 to 257p, and Gold Mines of Kalgoorlie 4 to 428p. Valiant gave up 4 to 56p despite news of the joint venture with Newmont Mining.

Leading base-metal stocks showed Western Mining and North Broken Hill up 8 apiece at 295p and 197p respectively, while CRA closed 8 firmer at 310p. On the other hand, Pacific Copper encountered profit-taking and dropped 20 to 220p.

Elsewhere, the Irish-Canadian section sprang to life with Northgate 50 higher at 450p following a drilling report on its Timmins gold prospect in Canada.

FINANCIAL TIMES STOCK INDICES

	Sept. 3	Sept. 2	Sept. 1	Aug. 29	Aug. 28	Aug. 27	A year ago
Government Secs.	69.04	68.50	68.09	67.72	67.70	68.25	73.25
Fixed Interest	69.96	69.01	68.27	69.84	69.86	70.10	73.61
Industrial	489.8	482.7	480.7	483.8	482.7	491.5	472.9
Gold Mines	405.0	401.0	387.1	389.7	390.9	386.6	201.2
Ord. Div. Yield	7.47	7.57	7.59	7.65	7.57	7.38	5.90
Earnings, Yld. % (full)	17.36	17.58	17.65	17.54	17.80	17.42	17.15
P/E Ratio (net) (*)	7.02	6.93	6.90	6.94	0.78	6.94	7.32
Total Bargains	18,365	16,888	16,373	15,350	16,949	18,127	—
Equity turnover £m.	—	93.85	80.42	102.23	116.85	83.73	62.14
Equity bargains total	—	11,863	11,851	14,724	15,083	11,602	10,031

10 am 485.2. 11 am 486.7. Noon 488.3. 1 pm 489.3.
2 pm 489.5. 3 pm 489.4.
Latest Index: 01-246 8026.
* Nil = 6.54.

Basis: 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	72.54 (21/7)	93.35 (7/8)	157.4 (9/1/35)	49.19 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/8)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	503.1 (18/7)	406.9 (3/1)	938.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	405.0 (3/9)	905.3 (18/5)	442.3 (22/5/75)	43.3 (26/10/71)

S.E. ACTIVITY

	Sept. 3	Sept. 2
—Daily		
Gilt Edged	104.0	111.8
Industrials	114.2	5 [illegible]
Speculative	50.3	40.9
Totals	76.2	65.3
5-day Avrge.		
Gilt Edged	100.8	05.2
Industrials	98.3	95.7
Speculative	44.2	42.6
Totals	68.3	66.5

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (84)

BRITISH FUNDS (2)
Treasury 3% 1982 Exchequer 3% 1983
LOANS (1)
U.S.M.C. 9pc 1982
AMERICANS (3)
ASA I.U. International
Barnes Group
BANKS (1)
Minster Assets
BUILDINGS (2)
H.A.T. Group Rowlinson
STORES (3)
Cornell Dresses Samuel (H.)
Polly Peck
ELECTRICALS (11)
Cray Electronic Security Centres
Dubilier Telephone Rentals
Emess Lighting Thorn EMI
Kode International Thorn EMI 7% Cnv.
M.K. Electric Whitworth Electric
Racal Electronics
ENGINEERING (2)
Hopkinsons Westland
FOODS (7)
Assoc. Brit. Foods Linfood
Assoc. Dairies Sainsbury (J.)
Avana Group Somportex
Hazlewood
INDUSTRIALS (15)
Aero. & General Pritchard Services
Bibby (J.) Provincial
Celestion Ropner
Cowan de Groot Ropner A
Harris (Ph.) Sunlight Services
Johnson Matthey Wheelock Marden
Ofrex Wood Hall
Powell Duffryn
INSURANCE (1)
Phoenix
LEISURE (2)
Photax (London) Webb (Joseph)
NEWSPAPERS (1)
East Midland Allied Press A
PAPER (2)
More O'Ferrall Watmoughs
PROPERTY (7)
Apex Props. Town Centre
Marler Estates Trust of Prop.
Prop. & Reversionary Westminster Prop.
Second City
SHIPPING (1)
Gotaas-Larsen
TRUSTS (6)
Brit. Ind. & General Murray Glendevon
Jardine Secs. U.S. & General
M. & G. Cap. Rosehaugh
OIL & GAS (1)
Warrior Res.
TEAS (1)
Moran
MINES (15)
East Daggafontein Pres. Steyn
Winkelhaak St. Helena
Buffels Middle Wit.
Doornfontein Falcon
Libanon Wankie Colliery
West Drie Hampton Areas
Zandpan Colby Res. Corp.
F. S. Geduld

NEW LOWS (24)

BUILDINGS (1)
Roberts Adlard
CHEMICALS (1)
Croda International
STORES (3)
Church Lowland Drapery
Kunick
ENGINEERING (4)
Austin (James) Manganese Bronze
Hunt & Moscrop Weir Group
INDUSTRIALS (5)
Barrow Hepburn Hawkins & Tipson
Beatson Clark Hewitt (J.)
Bogod-Pelepah A Longton Industrial
Caravans Internat. Marshall's Universal
Cole (R. H.)
LEISURE (1)
Barr & W.A.T. A
PAPER (1)
Melody Mills
SHOES (1)
Headlam Sims
TEXTILES (1)
Blackwood Morton
TEAS (1)
Lawrie Plantation
MINES (1)
Hermerdoo

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	90	—	4
Corpns. Dom. and Foreign Bonds	34	1	30
Industrials	380	110	904
Financial and Prop.	229	20	246
Oils	33	2	21
Plantations	5	3	14
Mines	73	22	64
Others	59	38	68
Totals	906	196	1,351

LEADERS AND LAGGARDS

Percentage changes since December 31, 1979, based on Tuesday, September 2.

Merchant Banks	+55.25
Insurance (Life)	+52.63
Electricals	+51.19
Gold Mines FT	+49.29
Mining Finance	+47.48
Electronics, Radio and TV	+44.96
Shipping	+40.69
Property	+38.55
Investment Trusts	+36.94
Insurance (Composite)	+34.97
Hire Purchase	+31.45
Capital Goods Group	+30.70
Financial Group	+29.11
Overseas Traders	+28.13
Discount Houses	+27.68
Contracting and Construction	+27.11
Building Materials	+27.08
Consumer Goods (Durable) Group	+26.64
Food Retailing	+24.43
Stores	+23.08
All-Share Index	+22.97
Insurance Brokers	+22.31
Industrial Group	+21.56
Entertainment and Catering	+21.29
Mechanical Engineering	+19.67
Other Groups	+19.63
500-Share Index	+19.33
Pharmaceutical Products	+19.23
Consumer Goods (Non-Durable) Group	+16.51
Engineering Contractors	+15.39
Food Manufacturing	+14.96
Breweries	+14.52
Metal and Metal Forming	+12.66
Tobaccos	+12.48
Chemicals	+12.42
Packaging and Paper	+12.06
Newspapers and Publishing	+11.34
Oils	+11.19
Wines and Spirits	+10.92
Banks	+ 7.34
Office Equipment	+ 6.87
Motors and Distributors	− 4.16
Textiles	− 4.87
Household Goods	−25.21
Toys and Games	−45.18

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Wed., Sept. 3, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Sept. 2 Index No.	Mon., Sept. 1 Index No.	Fri., Aug. 29 Index No.	Thur., Aug. 28 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (171)	282.68	+1.3	16.01	5.85	7.55	279.05	278.09	279.47	280.49	247.23
2	Building Materials (28)	251.12	−0.3	18.42	6.80	6.44	251.88	251.87	252.17	255.04	235.41
3	Contracting, Construction (27)	416.33	+0.9	22.33	5.85	5.31	412.75	411.50	410.30	414.73	306.63
4	Electricals (17)	846.45	+1.9	11.38	3.14	10.76	831.03	826.70	833.44	833.05	626.32
5	Engineering Contractors (11)	335.76	+1.1	18.52	7.76	6.82	331.96	332.71	331.53	334.15	353.95
6	Mechanical Engineering (72)	182.00	+1.5	16.54	7.32	7.39	179.24	178.74	180.02	180.34	171.95
8	Metals and Metal Forming (16)	166.82	+2.2	21.12	10.07	5.66	163.24	162.10	162.85	163.03	164.02
11	CONSUMER GOODS (DURABLE) (49)	244.34	+1.3	15.34	5.23	8.96	241.11	239.28	238.32	238.64	238.05
12	Lt. Electronics, Radio, TV (14)	375.83	+1.2	12.87	3.75	11.89	371.35	366.86	364.83	364.96	338.05
13	Household Goods (14)	88.67	+1.9	27.33	11.55	4.62	87.06	87.54	88.13	89.56	148.87
14	Motors and Distributors (21)	101.02	+1.7	21.89	9.30	5.26	99.31	99.93	99.85	100.05	113.45
21	CONSUMER GOODS (NON DURABLES) (172)	239.96	+1.1	17.22	6.71	7.01	237.37	236.94	237.05	236.47	237.72
22	Breweries (14)	288.20	−0.5	15.77	6.39	7.40	289.56	290.43	289.81	290.34	288.37
23	Wines and Spirits (5)	325.14	—	18.81	6.27	6.29	325.14	324.35	324.35	318.43	323.65
24	Entertainment, Catering (17)	332.98	+0.4	17.40	6.75	7.07	331.69	333.20	335.96	338.16	307.13
25	Food Manufacturers (22)	221.74	+1.4	18.30	6.78	6.43	218.64	218.43	218.18	217.31	209.76
26	Food Retailing (13)	377.33	+3.1	12.42	4.11	9.58	365.91	366.43	366.33	364.92	307.81
32	Newspapers, Publishing (12)	427.35	−0.1	22.40	7.33	5.97	427.75	426.59	429.97	433.23	422.90
33	Packaging and Paper (15)	129.91	+0.6	27.44	10.08	4.24	129.15	127.31	127.64	127.40	130.20
34	Stores (45)	238.07	+1.2	13.04	5.27	9.99	235.29	234.02	233.72	232.57	239.36
35	Textiles (21)	121.32	+1.6	26.75	12.74	4.55	119.46	119.41	120.17	120.35	154.58
36	Tobaccos (3)	228.74	+2.2	25.09	10.18	4.53	223.81	223.81	224.48	224.97	246.52
37	Toys and Games (5)	25.62	−1.8	8.78	14.88	26.34	26.09	26.09	26.23	26.59	72.83
41	OTHER GROUPS (99)	226.60	+1.2	15.52	6.86	7.73	223.92	222.84	223.27	223.76	207.36
42	Chemicals (16)	315.40	+1.0	17.23	7.64	6.80	312.19	309.40	310.27	310.29	295.32
43	Pharmaceutical Products (7)	232.86	+1.5	10.87	5.95	11.38	229.41	229.18	230.90	231.87	225.47
44	Office Equipment (6)	106.61	+1.9	19.28	7.78	6.06	104.67	105.18	106.75	106.42	120.59
45	Shipping (10)	603.69	+1.2	12.72	5.89	9.59	596.67	596.59	598.63	599.76	461.19
46	Miscellaneous (60)	281.64	+1.1	16.21	6.62	7.54	278.54	277.08	275.92	277.08	244.79
49	INDUSTRIAL GROUP (491)	255.49	+1.2	16.37	6.40	7.43	252.48	251.64	252.06	252.20	240.10
51	Oils (9)	781.00	+0.9	28.41	6.62	3.89	774.34	764.57	778.03	781.55	622.75
59	500 SHARE INDEX	297.20	+1.1	18.82	6.45	6.27	293.90	292.36	293.80	294.18	271.34
61	FINANCIAL GROUP (118)	237.67	+0.9	—	5.41	—	235.44	235.50	235.54	234.04	191.14
62	Banks (6)	239.16	+1.1	42.73	7.03	2.80	236.50	236.05	235.87	233.75	217.45
63	Discount Houses (10)	285.63	+2.0	—	6.21	—	280.00	280.00	279.66	280.16	258.38
64	Hire Purchase (5)	219.71	+1.1	14.10	4.59	9.24	217.33	218.21	217.09	219.26	175.59
65	Insurance (Life) (10)	240.90	+0.9	—	5.30	—	238.69	240.02	241.37	241.88	156.72
66	Insurance (Composite) (9)	164.93	+0.4	—	6.72	—	164.22	164.16	164.75	160.88	126.20
67	Insurance Brokers (9)	322.93	−1.3	14.35	7.14	9.55	327.24	327.99	330.27	331.21	272.52
68	Merchant Banks (12)	140.83	+1.1	—	5.05	—	139.34	140.37	140.66	140.72	100.72
69	Property (45)	445.99	+1.6	3.18	2.63	43.80	438.84	437.69	435.55	436.42	364.59
70	Miscellaneous (12)	146.96	+0.6	14.03	6.01	9.06	146.12	146.85	146.53	146.85	121.10
71	Investment Trusts (109)	266.04	+0.9	—	5.43	—	263.60	264.29	265.74	267.94	213.64
81	Mining Finance (3)	243.75	+2.1	12.32	4.30	9.77	238.84	231.85	235.41	242.41	134.17
91	Overseas Traders (20)	430.03	+1.0	11.70	6.86	10.30	425.90	424.46	421.88	426.78	345.62
99	ALL-SHARE INDEX (750)	285.67	+1.1	—	6.14	—	282.57	281.34	282.49	282.85	249.10

FIXED INTEREST PRICE INDICES

	British Government	Wed., Sept. 3	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	105.41	+0.57	—	7.62
2	5-15 years	110.60	+0.87	—	8.72
3	Over 15 years	115.31	+0.86	—	9.56
4	Irredeemables	127.29	+0.76	—	9.02
5	All stocks	110.13	+0.77	—	8.52

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Wed., Sept. 3	Tues., Sept. 2	Year ago (approx.)
1	Low Coupons	5 years	11.97	12.10	10.07
2		15 years	11.96	12.10	10.55
3		25 years	11.96	12.10	11.03
4	Medium Coupons	5 years	13.37	13.61	11.87
5		15 years	13.37	13.54	12.05
6		25 years	13.37	13.48	0.00
7	High Coupons	5 years	13.46	13.73	12.34
8		15 years	13.79	13.92	12.57
9		25 years	13.59	13.71	12.48
10	Irredeemables		11.57	11.66	10.83

		Wed., Sept. 3 Index No.	Yield %	Tues. Sept. 0	Mon. Sept. 1	Friday Aug. 09	Thurs. Aug. 28	Wed. Aug. 07	Tues. Aug. 06	Friday Aug. 22	Year ago (approx.)
16	20-yr. Red. Deb & Loans (15)	52.32	†13.89	53.26	53.17	63.24	53.29	53.44	53.47	53.47	68.67
16	Investment Trust Prefs. (15)	50.09	13.53	50.09	49.90	50.3e	50.89	01.18	e1.1e	e1.06	01.53
17	Coml. and Indl. Prefs. (20)	07.88	13.19	e7.85	87.89	87.98	68.08	87.30	07.30	e7.19	71.22

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Blue Circle 'New'	Nil/pd.	7	50pm	+ 2	51pm	46pm
Assoc. Leisure	5p	6	110	+ 2	113	81
ICI	£1	6	364	+ 4	402	348
Plessey	50p	6	240	+ 2	247	108
Racal Electronics	25p	6	307	+ 5	307	175
Reckitt & Colman	25p	6	208	+ 4	216	162
RTZ	25p	6	457	+10	485	327
Shell Transport	25p	6	410	+ 4	432	314
Turner & Newall	£1	6	109	+ 5	142	90
Whitw'th Electric	5p	6	48	+ 8	48	21
Cons. Gold Fields	25p	5	538	+ 8	567	385
Coral Leisure	10p	5	90	—	90	54
Courtaulds	25p	5	62	+ 3	87	59
Dowty Group	50p	5	247	+ 7	259	148
Lloyds Bank	£1	5	318	+ 3	356	277

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 18	Sept. 5	Nov. 20	Dec. 1
Sept. 8	Sept. 19	Dec. 4	Dec. 15
Sept. 22	Oct. 3	Dec. 18	Dec. 29

For rate indications see end of Share Information Service

Options remained quiet. Calls were dealt in Dunlop, Lonrho, FNFC, English China Clays, Town and City Properties, Pict Petroleum, House of Fraser, Premier Oil and Minister Assets. Puts were arranged in Hawker Siddeley, Dunlop and Grand Metropolitan, while doubles were dealt in FNFC and Town and City Properties.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
¶¶	F.P.	—	200	213	Brint Invs.	955	.....	—	—	—	—
**	F.P.	—	352	338	BP Restricted Trans.	344	+4	17.6	4.7	7.3	3.2
§50	F.P.	—	115	91	††Boker Electrnics 10p	109	+2	b3.85	9.0	3.1	11.4
68	F.P.	a/9	90	75	Charterh'se Petrol'm	85	+2	b1.69	4.0	1.8	15.5
§39½	F.P.	—	100	79	Energy Capital (12½p)	76	+4	—	—	—	—
150	F.P.	—	153	133	††Marinex 10p	135	+5	—	—	—	—
§61	F.P.	—	75	57	††Rolfe & Noland 10p.	68	—)	t1.0	3.5	9.1	)3.9
§c1	F.P.	—	70	56	‡Shackleton Petrol.	59	−1	—	—	—	—
§67	F.P.	—	86	75	††Utd. Electronic 20c	74	..	b1.67	0.9	3.0	2).0

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price	+ or −
‖	F.P.	23/7	124	109½	British Home Stores 9% Cnv. Ln. '92	110	.....
¶¶	F.P.	10/10	108p	107p	Foseco Minsep 8½% Cnv Red Cum and Prf	108p	+1
¶¶	F.P.	10/10	104	102	Do 10% Conv Uns Ln 1995	104	+1
**	F.P.	30/10	88	87	Newcastle & Gateshead Water 8¾% RdP	97	.....
**	F.P.	89/11	102	100	Outwich 10% Pref.	10a	.....
¶	F.P.	8/8	105½	101½	South Staff. Water 9¾% Rd. Pf. '95	101½xd	.....
¶	F.P.	28/8	104	100½	Sunderl'd & S.Shields Wtr 9½% Rd. Prf. 1985	100½xd	.....
¶¶	F.P.	22/10	103p	97p	Tebbitt 7% Con. Cum. Red. Pref.	97p	−1

"RIGHTS" OFFERS

Issue Price p	Am'unt Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing price p	+ or −
132	F.P.	23/7	8/9	184	146	Berisford (S. & W.)	178	−1
300	Nil	—	—	31pm	46pm	Blue Circle	50pm	+2
92	F.P.	30/7	19/9	141	123	Coalite	138	.....
13	F.P.	22/8	19/9	30	24½	Derritron	31	.....
100	F.P.	15/8	12/9	428	127	Ferranti	426	+16
80	F.P.	15/8	12/9	110½	89	Lonrho	96	.....
120	F.P.	16/8	28/9	166	144	McKay Secs.	155	+5
220	Nil	5/9	14/11	80pm	66pm	Mercantile House	70pm	+5
14	Nil	5/9	6/10	3½pm	2pm	Moorgate Mercantile	3pm	.....
75	F.P.	20/8	10/8	197	93	Polly Peck	125	−2
13	Nil	—	—	3pm	8pm	Spencer Gears	2pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521
Hope St. Fd. Aug. 31 | US$40.24
Murray Fund Aug. 31 | US$18.71
Pacific Fd. July 31 | US$4.64

Sentry Assurance International Ltd.
P.O. Box 1776, Hamilton 5, Bermuda.
Managed Fund | US$5.9 534.15

Singer & Friedlander Ldn. Agents.

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	50.6	54.4	+0.4	2.47
Abbey Capital	41.6	45.1	+0.6	5.43
Abbey General	52.5	55.7	+0.4	7.52
Abbey Gilt & F.I. Tst.	110.7	114.7	+0.5	11.78
Abbey Income	54.3	57.1	+0.3	10.04
Abbey W'Wide Bd Tst.	92.5	97.9		6.96
Abbey Inv. Tst. Fnd.	45.0	48.6	+0.1	5.32
Equitas Prog. Trust	79.3	85.7	+1.0	5.44

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	89.0	93.6		12.95

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	83.6	88.7	+0.9	5.97
Brit. Inds. Fund	75.8	81.1	+0.8	6.41
Growth & Income	46.7	50.2	+0.4	7.24
Elect. & Ind. Dev.	42.4	45.4	+0.5	5.40
Allied Capital	91.6	95.9	+1.0	4.64
Hambro Fund	130.1	139.2	+1.1	6.36
Hambro Acc. Fund	164.5	176.0	+1.9	5.31

Income Funds

High Yield Fd.	64.0	68.5	+0.4	10.07
High Income	74.9	80.1	+0.6	7.93
A. H. Eq. Inc.	43.9	47.0	+0.3	7.72
Govt. Secs.	[illegible]	[illegible]	+0.2	12.00

International Funds

International	31.3	33.5	+0.2	3.22
Pacific Fund	53.6	57.4	+0.1	2.34
Secs. Of America	63.2	67.6	+0.8	2.66

Specialist Funds

Smaller Co.'s Fd.	51.0	54.6	+0.1	4.47
2nd Smlr. Co's Fd.	59.1	63.2	+0.3	4.75
Recovery Sits.	127.0	135.9	+1.0	6.14
Met. Min. & C'dty.	66.4	71.0	+0.7	4.15
Overseas Earnings	65.3	69.8	+0.6	5.52

Exempt Funds

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	66.1	69.5		3.95

For Cosmopolitan see Chieftain Fund Managers.

Craigmount Unit Tst. Mgrs. Ltd.
40 Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	36.4	39.8	+0.1	11.35
North American	52.3	56.4	+0.6	3.05
Canadian Exempt*	61.5	63.9		3.70
Canadian Trust	58.6	63.4	-0.1	2.84
Mid Mount High Inc.*	47.8	50.6		9.54
Recovery	54.8	59.2	+0.6	7.22
Gilt Trust	43.4	45.4	+0.2	12.75

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	32.0	34.7	-0.1	1.08
Cres. Internat'l.	65.4	70.6	+0.2	2.49
Cres. High. Dist.	41.6	44.9	+0.5	10.36
Cres. Reserves	48.8	52.7	+0.6	5.69
Cres. Tokyo	21.3	23.0		1.00

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	24.2	25.6		12.70

Discretionary Unit Fund Managers
Billiter Hse., 36/38 New Broad St., EC2M 1NU.
01-638 4485

Disc. Inc. Aug. 29	223.7	238.9		5.50

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.3	19.1		7.60
Gt. Winchester O'seas	23.8	26.4		4.22

Emson & Dudley Tst. Mngmt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	82.1	88.3	+0.1	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	84.5	88.9	+0.8	4.90

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	27.8	30.1	+0.3	1.11
Gilt + Fixed Int.	24.6	26.1	+0.1	12.29
Growth + Income	31.2	33.5	+0.3	7.28
Special Sits.	33.2	35.7	+0.6	2.26

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	33.0	35.5	-1.3	2.48

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100 1/16	99 5/16	Exchequer 13pc 1980‡‡	99 5/16	+1/32	13.09	15.32
99 3/32	96¾	Treasury 11½pc 1981‡‡	98⅝	+⅛	11.66	15.12
96	90¾	Treasury 3½pc 1979-81	95	......	3.64	12.86
97⅞	93⅞	Treasury 9¾pc 1981‡‡	97⅝xd	+3/16	9.93	14.36
96¼	91¼	Exch. 8¼pc 1981	95 5/16	+3/16	8.63	14.41
96 11/16	92⅛	Exch. 9½pc 1981	96⅝	+1/16	9.83	13.79
93¾	85½	Exch. 3pc 1981	93¾	+⅛	3.20	9.96
99½	96½	Treas. Variable '81§§	98⅞	......	15.62	16.15
99 13/16	95 3/16	Exch. 12¾pc 1981‡‡	99 1/16	+1/16	12.87	13.34
94 11/16	88½	Treas. 8½pc '80-82‡‡	94⅝	+½	9.00	13.05
91¼	82½	Treasury 3pc '82‡‡	91¼	+⅛	3.28	9.59
101 13/16	96⅝	Treasury 14pc '82‡‡	101 5/16xd	+3/16	13.81	15.09
98 5/16	94¼	Treas. Variable '82§§	98	......	15.77	16.69
93⅛	86⅛	Treasury 8¼pc '82	92 3/16	+3/16	8.96	13.26
93 5/16	86⅝	Exch. 9¼pc 1982	92 11/16xd	+1/16	9.97	13.47
92⅞	85	Exch. 8¾pc 1983	91 5/16	+1/16	9.55	12.99
83¾	76½	Exch. 3pc 1983	83¾	+⅛	3.58	10.66
83½	82	Exch. 3pc 1983 A●	83	+½	3.61	11.05
98½	90⅞	Treasury 12pc 1983‡‡	97⅜xd	+⅝	12.32	13.30
96½	90⅝	Treas. Variable '83§§	96 1/16	......	16.06	17.18
92 3/16	84½	Treasury 9¼pc '83	91⅜	+¼	10.12	12.92
102⅛	94¼	Exch. 13½pc '83	100 7/16	+1/16	13.44	13.25
93¾	84½	Exch. 10pc 1983	91½	+¼	10.92	13.24
84½	76½	Funding 5½pc '82-84‡‡	84	+¼	6.54	11.56
97 3/16	87¼	Exch. 11¼pc 1984	94½	+¼	11.90	13.26
104 3/16	94½	Exchequer 14pc 1984	101 15/16	+3/16	13.73	13.28
76⅜	68¼	Exch. 3pc 1984	75⅜	+⅛	3.98	11.13
99⅞	88⅞	Treasury 12pc 1984	96 7/16xd	+1 1/16	12.44	13.25
109 1/16	98	Treasury 15pc 1985	106⅛	+1¼	14.13	13.13
71⅜	69	Treasury 3pc 1985	70	+½	4.28	11.40
		Five to Fifteen Years				
100⅞	90⅛	Exch. 12¼pc 1985	99⅝	+1	12.74	13.27
99¼	95⅝	Exch. 12¼pc 1985 'A'	97⅝	+1½	12.76	13.33
88½	79¼	Treasury 8½pc '84-86‡‡	85¾	+½	10.05	12.29
103⅝	91	Exch. 13¼pc 1987	100½	+1	13.39	13.48
81½	70¾	Funding 6½pc '85-87‡‡	78¾	+½	8.49	11.66
51	45½	Treas. 12pc '87 (£50pd)	47½	+1	12.91	13.58
82½	72¼	Treasury 7¾pc '85-88‡‡	77¼	+½	10.07	12.63
64	54⅞	Transport 3pc '78-88	61½	+⅜	4.92	10.41
98	83	Treasury 11½pc 1989	92¼	+¼	12.65	13.32
68	58¾	Treasury 5pc '86-89	65⅝	+½	7.85	11.54
103½	89⅛	Treasury 13pc 1990‡‡	99⅝	+⅞	13.52	13.44
80⅝	69⅞	Treasury 8¼pc '87-90‡‡	77⅞	+⅝	10.64	12.56
95⅛	82½	Treasury 11¾pc 1991	91⅛	+⅞	13.13	13.66
50¼	44¼	Treas. 11¾pc 91A (£50pd)●	46	+½	13.11	13.66
68⅞	57½	Funding 5¾pc '87-91‡‡	62⅞xd	+⅝	9.09	11.93
92¼	78⅛	Exch. 11pc 1991	89	+⅞	12.93	13.64
99⅞	87½	Treasury 12¾pc '92‡‡	95¾	+⅞	13.53	13.74
86⅜	74⅜	Treasury 10pc 1992	80¾	+⅝	12.44	13.58
100⅜	84¾	Exch. 12¼pc '92	92	+⅞	13.36	13.68
103⅞	94¼	Exchequer 13½pc '92	97¼xd	+¾	13.85	13.89
98⅞	85½	Treasury 12½pc '93‡‡	94⅞	+⅞	13.42	13.64
66¼	54⅝	Funding 6pc 1993‡‡	60⅞xd	+½	9.82	11.94
107¼	93½	Treasury 13¾pc 1993‡‡	103	+⅞	13.27	13.28
115	96⅜	Treasury 14½pc '94‡‡	104	+⅞	13.95	13.97
105⅝	96	Exchequer 13½pc 1994	99⅞	+⅝	13.87	13.94
100½	85½	Exch. 12½pc 1994	92⅞	+⅞	13.52	13.73
81¼	69⅞	Treasury 9pc '94‡‡	77⅜	+⅞	12.05	12.92
95½	82	Treasury 12pc '95	90⅞	+⅞	13.40	13.66
50	42⅝	Gas 3pc '90/95	47½	+⅜	6.45	10.66
85⅜	73⅛	Exch. 10¼pc 1995	81	+¾	12.85	13.42
		Over Fifteen Years				
102½	87½	Treasury 12¾pc '95‡‡	97⅞	+⅞	13.56	13.65
106½	94⅝	Treas. 14pc '96	102¼	+⅞	13.92	13.89
81½	67¼	Treasury 9pc '92/96‡‡	73⅝xd	+¾	12.17	12.95
118⅜	99½	Treasury 15¼pc '96‡‡	112⅞	+¾	14.16	14.01
105⅞	98⅜	Exchequer 13¼pc '96‡‡	101⅛	+⅞	13.65	13.69
55¼	41¾	Redemption 3pc 1986-96	46½xd	+⅜	6.42	9.55
104	89	Treasury 13¼pc '97‡‡	99⅜	+⅞	13.65	13.69
87⅞	74¾	Exchequer 10½pc 1997	81½	+⅞	12.95	13.35
80	65⅞	Treasury 8¾pc 1997‡‡	72⅜	+⅞	12.14	12.63
66½	54¼	Treasury 6¾pc '95-98‡‡	62¾	+⅝	11.17	12.23
121⅞	101	Treas. 15½pc '98‡‡	109¾xd	+⅞	14.04	13.95
93½	83⅝	Exch. 12pc 1998	93	+¾	13.42	13.54
83½	69⅜	Treasury 9½pc 1999‡‡	77⅜	+¾	12.49	12.93
101⅜	82⅞	Exch. 12¼pc 1999	90⅜xd	+⅞	13.32	13.55
88⅞	75⅝	Treasury 10½pc 1999	84⅛	+¾	12.93	13.25
103¾	94¾	Treas. 13pc 2000	97⅛	+¾	13.56	13.51
110⅝	94⅛	Treas. 14pc '98-01	105⅝	+⅞	13.81	13.78
96½	81⅜	Exch. 12pc '99-02	91	+⅝	13.39	13.48
107½	91⅜	Treas. 13¾pc 2000-03	102	+⅞	13.68	13.67
97	78⅞	Treasury 11½pc '01-04	86⅝xd	+⅞	13.20	13.32
40¼	34¼	Funding 3½pc '99-04	38⅞	+⅞	9.22	10.80
102	86⅞	Treasury 12½pc '03-05	96⅝	+¾	13.44	13.45
72⅞	59¾	Treasury 8pc '02-06‡‡	65⅝xd	+¾	12.11	12.41
95⅛	80¼	Treasury 11¾pc 03-07	90	+⅝	13.26	13.31
109	94½	Treas. 13½pc '04-08	98⅞xd	+⅞	13.54	13.56
53¼	42⅞	Treasury 5½pc '08-12‡‡	47⅝xd	+⅝	11.52	11.86
68⅜	57½	Treasury 7¾pc '12-15‡‡	64¼	+⅝	12.22	12.33
100½	85⅛	Exch. 12pc '13-'17	94⅝	+⅞	13.06	13.06
		Undated				
33⅞	29	Consols 4pc	32⅛	+¼	12.59	—
33¾	28⅞	War Loan 3½pc‡‡	31⅝	+¼	11.39	—
37¼	32¼	Conv. 3½pc '61 Aft.	34⅛xd	+¼	10.17	—
25¾	21⅝	Treasury 3pc '66 Aft.	23⅞xd	+⅛	12.43	—
22⅞	19½	Consols 2½pc	20⅞xd	+⅛	11.85	—
22	17⅞	Treasury 2½pc	19⅜xd	+⅛	12.54	—

INTERNATIONAL BANK

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
87½	78	5pc Stock '77-82	85½	......	5.85	13.59

CORPORATION LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97¼	83⅝	Bath 11¼pc 1985	94¼	+¼	12.45	13.89
98¾	89½	Birm'ham 12½pc 1985	96	+1	13.01	13.64
99½	96¾	Bristol 13¾pc 1981	99⅛xd	+⅛	13.87	15.58
101¼	90	Burnley 13pc 1987	98¼	+¼	13.69	14.17
95¼	82¾	Cardiff 11pc 1986	92½	+¼	12.02	13.29
[illegible]	93	G.L.C. 12½pc '82	97⅛	+¼	12.85	[illegible]

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]	83	Sth. Africa 9½pc 79-81	96½	+¼	10.21	15.75
100	95	S. Rhod. 2½pc Non-Ass.	100	......	—	28.91
169	133	Do. 6pc '78-81 N.-As.	145	......	—	27.57

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

1980 High	Low	Stock	Price	+ or −	Div. Gross	Cvr	Y'ld Gr's
12	890p	Tor. Dom. Bk. $1.	11	+⅛	$1.44	—	4.9
10½	815p	Trans Can. Pipe	850p	−20	$1.16	—	5.2

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Finance

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Central African

[illegible]

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
25	21	Acmex 50c	24	+2	—	—	—
24	12	ACM 20c	19	......	—	—	—
138	52½	Bond Corp.	136	......	‡Q2.6c	2.2	1.1
156	88	Bougainville I Kina	116	+1	‡‡Q24.1	1.0	11.5
356	230	CRA 50c	310	+6	§Q15c	2.1	2.5
25	11½	Canada Northwest	19	+½	—	—	—
42	8	Carr Boyd 20c	36	+2	—	—	—
£36⅜	£15¼	Central Pacific	£31¾	+1¼	—	—	—
41	17	Cultus Pacific N.L.	32	+1	—	—	—
52	20	Eagle Corp. 10c	37	+1	—	—	—
28	15¼	Endeavour 20c	27½	......	—	—	—
464	175	G. M. Kalgoorlie 25c	428	+4	†Q3c	—	0.4
46	15	Great Eastern	24½	......	—	—	—
465	260	Hamptn Areas 5p.	465	+15	4.5	2.4	1.4
204	30	Haoma Gold N.L.	156	+6	—	—	—
50	15	Intl. Mining	41	+1	—	—	—
720	80	Leichardt Expln.	160	......	—	—	—
30	7	Metals Energy	20	......	—	—	—
82	41	Metals Ex. 50c	77	+1	Q3c	ϕ	2.0
312	187	M.I.M. Hldgs. 50c	243	−4	Q30c	ϕ	6.5
21	7	Minefields Expl. 25c.	16	......	—	—	—
155	60	Mount Lyell 25c	96	......	Q15c	ϕ	8.5
28	15	Newmetal 20c	19	−1	—	—	—
55	13	Nickelore N.L.	40	......	—	—	—
207	137	North B. Hill 50c.	197	+8	†Q12c	1.4	3.2
101	44½	Nth. Kalgurli	94	+1	—	—	—
165	90	Nth. Mining Corp.	135	......	—	—	—
184	24	N. West Mining N.L.	136	+4	—	—	—
235	144	Oakbridge $A1	190	......	Q12c	4.7	3.3
153	70	Oilmin N. L.	130	+5	—	—	—
240	128	Pacific Copper	220	−20	—	—	—
465	255	Pancont'l 25c	350	+5	—	—	—
70	42	Paringa M&Ex. 5p	57	......	—	—	—
495	335	Peko-Wallsend 50c	465	+10	†Q17.5c	ϕ	1.9
230	140	Selkrust A	170	+4	—	—	—
£14¼	575	Southern Pacific	£12	+⅞	—	—	—
100	31	Swan Resources 20c.	82	+6	—	—	—
34	8	West Coast 25c	22	......	—	—	—
315	177	Westn. Mining 50c	295	+8	†Q7c	1.6	1.3
30	10	Westmex	14	......	—	—	—
108	56	Whim Creek 20c.	90	+2	—	—	—
34	10½	York Resources	29	−1	—	—	—

Tins

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
25	14	Amal Nigeria 1p	17	......	6.0	—	—
370	255	Ayer Hitam $M1	355	−5	‡Q290c	0.9	‡
67	42	Beralt Tin	66	......	4.5	3.2	9.7
300	149½	Berjuntai $M1	275	−15	Q85c	ϕ	6.5
230	150	Geevor	160	......	8.4	1.9	7.5
12	10	Gold & Base 12½p	12	......	—	—	—
650	310	Gopeng Cons.	610	+10	†25.0	1.8	5.9
435	280	Hongkong	435	......	‡35.87	ϕ	‡
128	90	Idris 10p	127	......	14.0	1.2	13.8
15	12½	Jantar 12½p	13	......	1.5	ϕ	16.5
115	64	Kamunting $M0.50.	110	......	Q80c	ϕ	0.0
330	150	Killinghall $M1	325	......	‡‡Q50c	ϕ	3.1
£10	485	Malay Dredging $M1	£10#	......	‡mQ105c	2.6	2.1
42	26	Pahang	40	......	0.44	0.3	1.6
112	83	Pengkalen 10p	112	......	6.0	1.3	7.7
335	230	Petaling $M1	330	......	†Q150c	1.4	9.5
44	22	South Crofty 10p	26	......	1.0	ϕ	5.5
415	180	South Kinta $M0.50	400#	......	—	—	—
700	325	Sthn Malayan $M1	690#	......	‡Q175c	2.1	5.2
305	215	Sungei Besi $M1	265	......	Q480c	1.1	36.9
55	22½	Supreme Corp. $M1	55	......	hQ8c	—	3.0
125	90	Tanjong 15p	120	......	‡5.75	6.0	6.8
115	78	Tongkah H. Tin	115	......	Q45c	1.3	8.8
355	220	Tronoh $M1	350	......	‡Q250c	0.7	‡

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
235	130	Messina R0.50	210	+5	mQ10c	ϕ	2.7

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
180	78½	Anglo-Dominion	137	−8	—	—	—
97	52	Barymin	62	−5	—	—	—
17	12	Burma Mines 10p	13½	......	0.62	1.1	6.6
200	53	Colby Res. Corp.	200	+25	—	—	—
502	285	Cons. Murch. 10c.	300	......	‡Q30c	1.8	19.1
180	90	††Hemerdon 10c.	90	−5	—	—	—
585	325	Northgate C$1	450	+53	—	—	—
485	327	R.T.Z.	457	+10	15.0	3.2	4.7
33	16	Robert Mines	23	−1	—	—	—
112	91	††SPO Minerals 10p	91	......	—	—	—
58	26	Sabina Inds. C$1	42	+6	—	—	—
51	31	††SWCM 10p	40	+1	—	—	—
650	411	Yukon Expln. $1	510	−10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✻ Regional price.
- II No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. u Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	33	......	Conv. 9% '80/82	£93½	......
Bertam	15	......	Nat. 9¾% 84/89	£82	+¼
Bdg'wtr. Est. 50p	445	......	Fin. 13% 97/02	£90¾	+½
Craig & Rose £1	£11	......	Alliance Gas	55	......
Fife Forge	35	......	Arnott	280	......
Finlay Pkg. 5p	19	......	Carroll (P.J.)	65	......
Graig Ship. £1	£12	−½	Clondalkin	121	......
Higsons Brew	75	......	Concrete Prods.	83xd	......
Holt (Jos) 25p	256	......	Heiton (Hldgs.)	28	+1
I.O.M. Stm. £1	152	−3	Ins. Corp.	275	......
Pearce (C. H.)	465	......	Irish Ropes	43	......
Peel Mills	45	......	Jacob	32	......
Sheff. Refrshmt	102	−1	T.M.G.	78	......
Sindall (Wm.)	140	......	Unidare	76	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	27	Utd. Drapery	6½
BOC Intl.	6	"Imps"	6½	Vickers	12
B.S.R.	4½	I.C.L.	14	Woolworths	5½
Babcock	8	Inveresk	4	**Property**	
Barclays Bank	34	Ladbroke	13	Brit. Land	7
Beecham	10	Legal & Gen.	15	Cap. Counties	9
Blue Circle	25	Lex Service	8	Land Secs.	24
Boots	16	Lloyds Bank	24	MEPC	17
Bowaters	15	"Lofs"	3½	Peachey	13
B.A.T.	20	London Brick	6	Samuel Props.	12
Brown (J.)	6	Lucas Inds.	17	Town & City	2
Burton 'A'	10	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr	8	Brit. Petroleum	32
Courtaulds	8	Midland Bank	26	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	10
Distillers	17	Nat. West. Bank	27	KCA	11
Dunlop	7½	P & O Dfd.	10	Premier	13
Eagle Star	15	Plessey	14	Shell	35
F.N.F.C.	2¼	Racal Elect.	22	Tricentrol	40
Gen. Accident	21	R.H.M.	4½	Ultramar	35
Gen. Electric	30	Rank Org.	15	**Mines**	
Glaxo	18	Reed Intnl.	16	Charter Cons.	14
Grand Met.	12	Sears	5	Cons. Gold	40
G.U.S. 'A'	34	Tesco	6	Lonrho	8
Guardian	23	Thorn	23	Rio T. Zinc	35
G.K.N.	20	Trust Houses	12		
Hawker Sidd	15	Tube Invest.	23		
House of Fraser	15	Unilever	40		
		U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 32

FINANCIAL TIMES
Thursday September 4 1980

Agreement will further burden Polish foreign debt

Mines deal threat to output

BY CHRISTOPHER BOBINSKI IN WARSAW

A POLISH Government commission signed an agreement yesterday with striking miners, accepting all their demands. If implemented, it could seriously curtail plans to increase coal output.

The sale of coal accounts for 12 per cent of the country's hard currency earnings. Any reduction in these earnings is likely to harm Poland's ability to service its huge foreign debt, now estimated at $19.5bn (£8.1bn). Servicing this year is expected to cost Poland $7.2bn, falling to $6.5bn next year.

An addition to the harmful effect of Poland's worst industrial unrest in a decade is the promise extracted from the Government to increase meat supplies and cut exports. This will mean greater imports of meat which the Goveroment had been trying effectively to ration through pricing. The meat price rises brought about the latest bout of labour disturbances.

Ship production has also been set back by the strike in the Baltic Port shipyards.

The agreement signed yesterday by Mr. Alexander Kopec, a deputy premier, at the Manifest Licowy mine In Jastrzebie near the Czechoslovak border, came after more than 200,000 miners and other workers in Silesia had come ont on strike. Many of these are expected to go back to work today, but reports ware reaching Warsaw yesterday of new strikea breaking out in three mines in this, the country's major industrial district.

The miners won Government guarantees that independent trade unions would be permitted to form in the area, wage rises linked to prices growth, and increased bonus payments.

In Walbrzych, another mining area in the sonth-west which went on strike last week, an independent trade union founding committee has been recognised by the authorities. The Government in Silesia is also reported to have agreed that there sbould be no more Sunday working, and that all Saturdays sbould be free from next year, and that a new sbift system sbould be scrapped.

Safety conditions are to improve, and the retirement age for miners is to be lowered.

Poland is a major coal producer and exporter: 42m tonnes of this year'a 206m tonnes of planned coal prodnction is to be exported. The growth in coal output in recent years has been achieved mainly by a rise in overtime working.

Two years ago the authorities began to introduce what ia called the "four brigade" system, whereby the miners got two free days after six days at work.

Now the authorities have apparently agreed to drop the new system. This means that, if the planned 2 per cent annual growth ln hard coal output is to maintained, employment and capital Investment will have to be stepped up. The miners' earnings would also drop.

When asked yesterday bow much the new agreement would cost, Mr. Kopec said that the main thing was that the men were going back to work and that the calculations would come later.

On the other band, the Polisb economy is very inefficient in the way it exploits both labour and the raw materials, including coal, and such agreements make reforms all the more urgent. The debate on these is only just beginning.

An article in the current issue of the weekly, Kultura, reflects the thinking of the pragmatic reformist wing in the leadership, which is headed by Mr. Stefan Olszowski, a Politburo member and tbe party secretary responsible for the economy.

The article argues that censorship should not impede a wide-ranging discussion of past errors and future policies. But, it issues a strong warning against anyone "who would attack the leading role of the party" and "those who are opposed to Poland's place in the socialist system."

Processed fungus meets approval

By David Fishlock, Science Editor

THE Government has given Rank Hovis McDougall approval to market what the company's scientists claim is the first entirely novel human food to seek official blessing.

The food is a microscopic edible fungus, produced by a fermentation process developed at the bakeries group's Rank Research Centre at High Wycombe.

Dr. Jack Edelman, RHM's research director, told the British Association for the Advancement of Science's annual conference at Salford University yesterday that two years ago the company had submitted for approval a 2m-word dossier on its toxicity and nutritional tests to the Ministry of Agriculture, Food and Fisheries.

Over 400 people had participated in the "clinical trials" reported in the dossier.

RHM's request required the convening of a special expert committee to assess the scientific evidence.

The committee's approval means RHM can press ahead with test marketing plans for novel kinds of convenience food. But the committee also asked for more nutritional tests on the mineral balance and fibre content of the mycoprotein.

Foods made from mycoprotein will be high in protein and will simulate the texture of meats, poultry, fish, etc.

The mycoprotein consists of fibres of a fusarium fungus, bred by biotechnology in a fermentation vessel, then combed mechanically to create the fibrous texture.

RHM has a pilot plant capable of making up to 2 tonnes a week of mycoprotein, in continuous runs lasting as long as six weeks.

The company and another major food processing group have converted the material into a range of fresh and frozen foods, among them game pie, ham sandwiches, crisps, biscuits, soups, fortified drinks, and a few other ideas they are keeping secret, says Dr. Edelman.

The company said yesterday it had no commercial plans for its new source of protein. It believes the first commercial step may be a continuous fermenter capable of producing 20,000-25,000 tonnes a year as bulk raw material which it might sell—as it does flour—to another food processor for convenience foods.

British Association reports, Page 7

THE LEX COLUMN

Easy entry to the unlisted market

It appears that the Stock Exchange's unlisted securities market is to be rather easier for companies to get into than originally proposed in the discussion paper last December. And the idea that this market should be in any formal sense a transitional stage leading to a full listing has been dropped. Companies will be able to atay there as long as they like. On the other hand, continuing regulation will be comparatively tight, for all entrants will have to sign a general undertaking which will differ only in minor respects from the full listing agreement.

A new draft of the unlisted market scheme is to be presented to the Stock Exchange Council on September 16, and it shows clear evidence of determination to lower as many entry barriers as possible. Only 10 per cent of a company's equity, against the 15 per cent originally proposed, will need to be in public hands, and there will not need to be a formal accountants' report. But the requirement to sign the general undertaking should have the effect of banishing one Stock Exchange nightmare, that large numbers of companies at present with full listings might choose to move down into the twilight zone of unlisted status. In fact, there would be no very great advantage for companies in such a step.

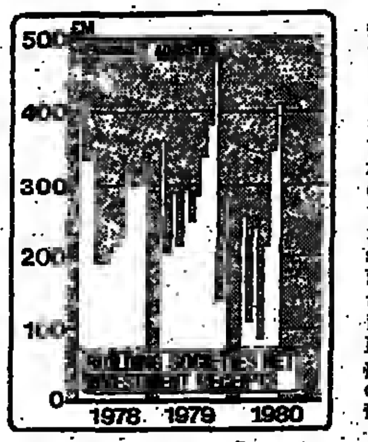
Bot in reducing the entry standards the Stock Exchange does increase the risks that low quality participants will give the new market a bad name. The Stock Exchange seems to be relying heavily oo the role of sponsoring brokers here.

The draft proposals hint at several tricky areas which are bound to require further thought. An internal problem for the Stock Exchange is the inbuilt tension between brokers and jobbers, and the suggestion that dual capacity would be acceptable for brokers dealing in local issues subject to "adequate safeguards" will raise some eyebrows. Externally there is the problem that listed status features in company and tax legislation so that the legal significance of dealings and prices on the USM (relevant for insurance companies, for instance) will need to be sorted out.

Alliance

The Alliance Building Society's launch of a fixed rate bond for institutional investors is aimed at opening up a new source of funds as the headlong growth in personal deposits slows down. Over the last 10 years the number of accounts with the movement has risen

Index rose 7.1 to 489.8



from 10m to 29m and saturation cannot be far away. The sluggish growth of net investments over the last year or so underlines the need to diversify. So, as the Government thinks about tapping private individuals more aggressively with some kind of jumbo granny bond, the Alliance aims to raise £60m this year from the investment institutions. One result is that the average cost of the Alliance's funds is moving up, so it is hardly surprising that the cash raised will tend to be used on bigger mortgages, where a premium rate is charged.

The bond's yield is approximately equivalent to that currently on offer in the local authority yearling market. Interest on the Alliance bond will be paid at the end of the year, rather than at six-month intervals, which should have tax attractioos for corporate borrowers who will be able to make a pure capital gain before selling on to gross funds in the last couple of months. But a key drawback will be marketability, since brokers will only be able to match buyers and sellers. If other building societies follow suit, bowever, the volume of bonds could make public quotation feasible. But the Bank of England will want to see a gradual approach to avoid any disturbance to the balance of the wholesale markets.

Insurance

Insurance companies without too much exposure to the U.S. market are doing rather nicely this year. That is the message in yesterday's flood of interim figures from Guardian Royal Exchange, Sun Alliance and Phoenix, all three of which are likely to report significantly improved profits for 1980.

GRE's interim figures are up from £31.4m to £36m pre-tax, and for the year as a whole they could rise from £75.8m to over £90m. On the underwriting side, the important German business is still losing money. But the previously troublesome household, casualty and motor accounts are now more or less breaking even and commercial fire has been the trouble spot this time. The figures here should improve over the rest of the year, and the same applies to the UK motor account, which represents about half GRE's UK business and lost over £3m in the first six months. The group is managing to rednce its tax liabilities this year, so a prospective yield of perhaps 7 per cent at 332p could be backed by cover of 2½ times.

Sun Alliance's interim profits are over two-thirds higher at £26.4m, which makes its 11 per cent dividend increase look rather stingy. However, this is not intended to be a guide to the overall payment. The group's big household account in the UK has gained to the tune of over £6m from reduced storm damage and better rates, but it seems to have lost market share on the motor side, and it has also taken a harder look at its liability reserves than it usually does at this time of the year. Overall profits could be up from £49.2m to £65m or £70m, and a prospective yield of nearly 6½ per cent is supported by cover of 2½ times plus one of the strongest balance sheets in the sector.

Phoenix, the last of the trio, is seeing a better trend in the UK since the first quarter and the bulk of its rate increases on household business has yet to show through. It is proportionately larger in the U.S. than the other two companies, but with a bit of luck this year's profits could still be roughly a quarter up on 1979's £32.1m pre-tax. The prospective yield may be around 7½ per cent again on a dividend covered about 2½ times.

BICC

BICC's request to have the accounts of Higgs and Hill examined before making a formal takeover bid has been reformulated in a way that makes it difficult for the H and H Board to refuse. Previously the request could be dismissed; after all a lot of companies would like to take a look at their rival's books without obligation. But now BICC has committed itself to a price of 110p a share, or more than double the price before the original approach was made; the Board of H and H will need to find strong arguments to justify preventing shareholders making up their own minds.

Threat to EEC steel quotas

By John Wyles in Brussels

STEEL producers in the EEC face strong pressure from the European Commission to agree to a voluntary cut of 13 per cent in their crude steel output in the last quarter of this year.

At a meeting bere yesterday the commission agreed that such a cut, which would bring production down to 4.6m tonnes less than last year's final quarter output of 35.6m tonnes, was vital if the current slide in Community steel prices was to be halted.

On the surfaca there should be little difficulty in securing agreement since, according to the commission, the 13 per cent cut is in line with the producers' commitment at the end of July to a 10 per cent voluntary reduction for the second half of this year.

But Italian steel industry representatives refused then to endorse the undertaking. They said their sacrifices should be less severe. Unless they fall in line this latest attempt to discipline production could founder in a dispute over burden sharing.

The commission's provisional programme for the final quarter will be put to the community steel industry's consultative committee, embracing producers, consumers and union representatives, on Friday.

It is largely the work of Commissioner Etienne Davignon whose plans for price and production disciplines have played a major role in steel industry restructuring over the past three years. However, the industry's voluntary restraint virtually evaporated in the past three months. Production in the second quarter was higher than in the same period of last year in spite of much reduced demand. The Commission is now determined to fight to restore the credibility of the Davignon plan.

Outlining the case for a 31m tonnes final quarter crude steel production limit for the community, M. Davignon yesterday painted a gloomy picture of the deepening steel crisis.

Stressing the collapse in world markets, particularly in the U.S., his report said that in May the volume of the steel industry's orders was 15 per cent down on May 1979, while prices for most products have reached a new low.

Automation will cut 3,000 Cadbury-Schweppes jobs

BY LORNE BARLING

CADBURY-SCHWEPPES has launched a £125m modernisation programme in its chocolate and confectionery business. The programme will lead to the loss of about 3,000 jobs in the next four to five years, most of them at Bournville, Birmingham.

Bourneville is one of the biggest chocolate manufacturing plants in Europe, employing about 7,000 people, 2,000 of them part-timers. Half the workers are women. Falling demand led to 700 redundancies at Bournville earlier this year.

The investment programme, which will involve the company's confectionery factory at Bristol as well as the Bournville plant, will be aimed at lowering production costs and matching output to projected demand.

Cadbury-Schweppes said it hoped to achieve a reduction of about 3,000 jobs through natural wastage. The jobs loss could be less if sales proved better than currently expected.

"Chocolate manufacture has traditionally been both capital-intensive and labour-intensive but with the arrival of micro-chip technology fewer people will be needed to run machines," the company said.

Most of the investment will be on new production lines and packaging equipment at Bournville. There, products such as tray selections of chocolates, Easter eggs, and moulded bars, such as Dairy Milk and Fruit and Nut, are made.

Under the company's medium-term plans strong emphasis will be placed on producing and marketing its leading confectionery products, such as Dairy Milk.

These plans have been under discussion with unions for the past six months. The company hopes to win union co-operation.

Demand for chocolata — and for confectionery generally — in the UK has fallen by about 9 per cent this year, mainly due to retailers reducing stocks. Cadbury said it believed the worst of this was over.

Other redundancies, Page 6

TUC moves to end Isle of Grain power station dispute collapse

BY JOHN LLOYD, LABOUR CORRESPONDENT

MOVES TO end the inter-union dispute at the Isle of Grain power station in Kent collapsed yesterday at the Trades Union Congress in Brighon.

It seems certain there will be a clash at the TUC General Council on September 24, when the unions which have refused to accept the TUC formula to end the dispute—the engineering and construction sections of the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union—will be asked to justify themselves under rule 13 of the TUC constitution.

Mr. John Baldwin, general secretary of the AUEW's construction section, said yesterday: "If it's a choice between letting down my members and being expelled from the TUC, then I'll take expulsion."

The sticking point has proved to be the inability to reconcile the TUC formula with this week's compromise.

The TUC formula called for immediate re-employment of members of the General and Municipal Workers Union on lagging work at Unit 7 on Grain.

The compromise would bave allowed substitute laggers, who were brought on to the site when others were dismissed and include many of Mr. Baldwin's members, to remain at work with GMWU laggers employed at Unit 3, where lagging is about to begin.

Mr. Baldwin said a meeting arranged for early yesterday between officials of the AUEW and the GMWU had been cancelled.

It was not clear last night if the ban on the meeting had come from Mr. David Basnett, the GMWU General Secretary, or Mr. Len Murray, the TUC General Secretary.

There had apparently been encouraging informal meetings between Mr. Frank Cottam, the GMWU's national officer dealing with the dispute, and officials of other unions earlier in the week.

However, it is clear that Mr. Basnett is not prepared to deviate from the TUC position.

The compromiae is understood to have had the backing of the Central Electricity Generating Board, and was seen by Ministers who have been monitoring the dispute as offering a real possibility of breakthrough.

Mr. Jim Lester, the junior Employment Minister, who was in Brighton yesterday to attend the economic debate, arrived at the Congress believing the formula stood a good chance of success.

Unions to oppose smoking ban

BY GARETH GRIFFITHS

SHOP STEWARDS at the Hotpoint electrical appliances factory at Peterborough are to meet Mr. Chaim Schreiber, the company's managing director today to hear his reasons for introducing a no-smoking rule and reducing tea breaks at the plant.

The new rules have been introduced in conjunction with a company plan to boost productivity by 30 per cent at the plant which is working a three-day week. The move has aroused trade union protests.

Three unions, the Transport and General Workers' Union, the Amalgamated Union of Engineering Workers and tha General and Municipal Workers, bave lodged complaints with Hotpoint that agreed procedures for consultation were not followed.

At talks yesterday between local union officials and management, union negotiators were told the survival of the company, which is a GEC subsidiary, depended on the productivity increase. In common with other white goods manufacturers, Hotpoint is faced with severe foreign competition and short time working. Hotpoint's other plants at Llandudno and Swinton are also on a three-day week.

Mr. Schreibar is expected to outline to the stewards the extent of Hotpoint's problems. The company has already made 150 of the Peterborough workforce redundant and they now number 1,000. There are strong indications that GEC is pressing for a major effort to be made to cut costs and boost production.

GEC is believed to be keeping Hotpoint on a tight financial leash while waiting to see the results of local managements' efforts.

Hotpoint workers have been told that if they are caught smoking on the factory floor they will be suspended for three days without pay. However, all disciplinary actioo is being suspended until after the meeting.

Other fringe benefits are also reported to be withdrawn; hairdressing facilities, credit terms at at the factory shop and a subsidy on canteen meals.

Continued from Page 1

Alliance

increase in demand for home loans. He said building societies could be approaching saturation point in terms of new savers and investors. "Already half the adults in this country bave a building society account and if the rate of growth of the past 10 years were to continue the number of account holders would exceed the total population by 1990."

Comparing the price of the new bonds with the cost of other Alliance funds, Mr. Cox said the true cost of a five-year term share to the Alliance was currently 16.3 per cent. In view of the expected increases in the composite tax rate, paid by building societies, this would soon be higher.

Mr. Cox said the next step could be a fixed rate mortgage, though there were problems to be sorted out. He said such a mortgage would not carry a fixed rate for the wbola term.

Defence contract

Continued from Page 1

outside the UK SL group in the bidding for the British contract, including a major consortium comprising Westinghouse of the U.S., Sintra of France, ICL of the UK and the Dutch company Hollandse Signaal Apparaten. The contract waa awarded uoder international rules laid down by NATO.

Associated with UK SL is Thomson-CSF of France, which will get part of the work.

Radars for the new system are being developed as part of separate contracts. Some bave already been won by Marconi and Plessey for radars at Buchan, Benbecula and Sax Vord in Scotland and the Northero Isles. Further contracts are being negotiated at present.

Up to about 80 per cent of the UK SL deal—announced at the Farnborough International Air Show yesterday — is being paid for by NATO with the rest of the money coming from the UK defence budget.

Two-thirds of the work on the system will be undertaken in the UK at Marconi's factories in Chelmsford, Leicester and Gatesbead, and at Plessey's factories in Addlestone, in Surrey and at Liverpool.

The work is unlikely to boost workforces dramatically although some additional labour will undoubtedly be needed.

The remaining third of the work will be undertaken by Hughes in the U.S.

Plessey will provide full colour graphic displays and digital data comunications equipment. Marconi Radar will supply display consoles, data processing and communications aids.

Weather

UK TODAY

CLOUDY, with rain spreading from the west.

London, S. and E. England, E. Midlands

Sunny periods, clouding later. Max. 21C (70F).

S.W. and N. England, W. Midlands, Wales

Mostly cloudy, rain developing. Max 19C (66F).

Scotland and Ulster

Rain, heavy at times; brightening later. Max. 15C (59F).

Ontlook: Dry and sunnier in south. Temperatures normal.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Alaccio	S	27	81	Lisbon	S	25	77
Algiers	S	28	82	Locarno	S	22	72
Amsdm.	S	20	68	London	S	23	73
Athens	F	25	77	Luxmbg.	S	19	66
Bahrain	S	40	104	Luxor	S	38	100
Barcina.	F	26	79	Madrid	S	29	84
Beirut	F	29	84	Majorca	F	28	82
Belfast	C	14	57	Malta	C	24	75
Belgrd.	C	17	63	Malaga	S	28	82
Berlin	S	19	66	M'chstr.	S	19	66
Biarritz	C	22	72	Melbne.	F	17	63
Bmghm.	S	21	70	Milan	S	23	73
Blackpl.	S	18	64	Mntreal.	S	17	63
Bordx.	S	26	79	Moscow	F	14	57
Boulgn.	S	27	70	Munich	S	21	70
Bristol	S	20	68	Naples	S	24	75
Brussels	S	22	72	Nwcstl.	F	20	68
Budpst.	F	18	64	N. York	F	21	70
Cairo	S	31	88	Nice	S	24	75
Cardiff	F	19	66	Oporto	F	21	70
Cas'b'ca	F	26	79	Oslo	F	18	65
Cape T.	F	15	59	Paris	S	24	75
Cologne	S	20	68	Perth	F	18	64
Cpnhgn.	F	20	68	Prague	S	19	66
Corfu	S	27	81	Reykjvk.	C	11	52
Dublin	F	17	63	Rhodes	S	28	82
Dbrvnk.	S	24	75	Riyadh	S	35	95
Ednbgh.	C	19	66	Rome	C	25	77
Faro	S	27	81	Salzbrg.	S	19	66
Florence	S	25	77	Seoul	C	26	79
Frankft.	S	20	68	Stckhm.	C	18	64
Funchal	C	23	73	Strsbg.	S	22	72
Geneva	S	23	73	Sydney	S	19	66
Gibraltar	S	25	77	Tangier	S	23	73
Glasgow	C	16	61	Tehran	S	36	97
G'nsey	S	18	64	Tel Aviv	S	29	84
Helsinki	C	16	61	Tenerife	S	28	82
Innsbrk.	S	21	70	Tokyo	F	27	81
Invrnss.	R	16	61	Tunis	S	28	82
I. o.Man	F	16	61	Valencia	C	24	75
Istanbul	C	20	68	Venice	S	21	70
Jeddah	S	41	106	Vienna	S	18	64
Jersey	S	19	66	Warsaw	C	17	63
Jo'burg	F	23	73	Zurich	S	21	70
L. Pims.	S	25	77				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

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هكذا من الأصل